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Agency:

STATE OF NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES; DIVISION OF PUBLIC AND BEHAVIORAL HEALTH

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Governor's signature

Classification: **PROPOSED** **ADOPTED BY AGENCY** **EMERGENCY**

Brief description of action: Providing procedures for the request and rendering of opinions by the Commission related to the Medical Marijuana Program; bringing NAC 453A into compliance with statutory changes adopted during the 2015 Legislative Session (SB 276, SB 447, and AB 70), and providing other matters properly relating thereto. Division of Public and Behavioral Health, Division Administrator adopted the proposed regulations and the Errata that was presented at the Public Hearing on August 29, 2016.

Authority citation other than 233B: § 1-74 (plus new section included during adoption), NRS 453A

Notice date: **July 28, 2016**

Date of Adoption by Agency: **August 29, 2016**

Hearing date: **August 29, 2016**

ADOPTED REGULATION OF THE DIVISION OF PUBLIC AND BEHAVRIORAL HEALTH OF THE DEPARTMENT OF BUSINESS AND INDUSTRY

LCB File No. R148-15

Effective September 9, 2016

EXPLANATION – Matter in *italics* is new; matter in brackets **[~~omitted material~~]** is material to be omitted.

AUTHORITY: §§1-15, 21-27 and 29-73, NRS 453A.370; §16, NRS 453A.210, 453A.370 and 453A.740; §§17-19, NRS 453A.370 and 453A.740; §20, NRS 453A.740; §§28 and 74, NRS 453A.344 and 453A.370.

A REGULATION relating to the medical use of marijuana; establishing provisions relating to the use of concentrated cannabis by a medical marijuana establishment; revising provisions relating to the sale of marijuana and related products by a medical marijuana establishment to a person who holds a letter of approval or his or her designated primary caregiver; revising provisions relating to the cultivation, production, handling and labeling of marijuana and related products by a medical marijuana establishment; revising various provisions relating to the licensing and operation of a medical marijuana establishment and medical marijuana establishment agent; authorizing certain activities for research and development purposes by certain medical marijuana establishments; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides a limited exemption from state prosecution for certain crimes relating to marijuana for a person who holds a valid registry identification card. (NRS 453A.200) The Nevada Legislature provided for the creation of a letter of approval that grants a similar limited exemption to certain persons under 10 years of age. (Section 13 of Senate Bill No. 447, chapter 506, Statutes of Nevada 2015, at page 3091 (NRS 453A.205), and NRS 453A.220, as amended by section 18 of Senate Bill No. 447, chapter 506, Statutes of Nevada 2015, at page 3097) **Sections 5, 13, 16-20, 22, 25, 30, 31, 33-35, 39, 40, 47, 48, 64 and 71-73** of this regulation revise existing regulations as appropriate to include letters of approval.

Existing law makes it a crime to sell, manufacture, deliver, bring into this State or be in actual or constructive possession of concentrated cannabis. (NRS 453.339, as amended by

section 7 of Senate Bill No. 447, chapter 506, Statutes of Nevada 2015, at page 3089) Existing law also prohibits the extraction of concentrated cannabis unless extraction is specifically authorized by the provisions of existing law relating to the medical use of marijuana. (NRS 453.3393, as amended by section 8 of Senate Bill No. 447, chapter 506, Statutes of Nevada 2015, at page 3089) Existing law also exempts the holder of a medical marijuana establishment registration certificate or medical marijuana establishment agent registration card from certain state crimes relating to marijuana. (NRS 453A.200) **Sections 2-4, 6, 7, 9, 10, 27, 29, 34, 37, 38, 41, 42, 44, 48-54, 57, 58, 63 and 65** of this regulation revise existing regulations to regulate the use, processing and sale of concentrated cannabis by medical marijuana establishments.

Existing law requires the Division of Public and Behavioral Health of the Department of Health and Human Services to adopt such regulations as it determines to be necessary to carry out the provisions of existing law relating to the medical use of marijuana. (NRS 453A.370) **Sections 8-10, 14, 15, 34, 41, 42 and 45-54** of this regulation revise various provisions relating to the cultivation, production, labeling and sale of marijuana and related products by a medical marijuana establishment. **Sections 11, 21, 23, 25, 26, 28, 32, 38, 55-62, 66 and 74** of this regulation revise various provisions relating to the licensing and operation of medical marijuana establishments. **Section 12** of this regulation authorizes a cultivation facility or a facility for the production of edible marijuana products or marijuana-infused products to engage in certain activities for research and development purposes in certain circumstances. **Section 20** of this regulation: (1) authorizes the holder of a registry identification card to also be a designated primary caregiver in certain circumstances; and (2) allows a person to be the designated primary caregiver for one or two persons. **Section 24** of this regulation eliminates provisions that require a medical marijuana establishment to surrender its medical marijuana establishment registration certificate upon a change in ownership or location in accordance with existing law (NRS 453A.350, as amended by section 26.5 of Senate Bill No. 447, chapter 506, Statutes of Nevada 2015, at page 3102). **Sections 63, 65, 67 and 68** of this regulation revise provisions relating to the testing of marijuana and related products by an independent testing laboratory. **Section 69** of this regulation revises the maximum quantity of edible marijuana products and marijuana-infused products that a holder of a registry identification card or letter of approval or designated primary caregiver can possess without eliminating his or her limited exemption from state prosecution.

Existing law authorizes a medical marijuana establishment to retain an independent contractor to provide labor as a medical marijuana establishment agent. (NRS 453A.332, as amended by section 31 of Assembly Bill No. 70, chapter 401, Statutes of Nevada 2015, at page 2265) **Sections 27, 28, 32 and 35** of this regulation revise provisions relating to medical marijuana establishment agents to include independent contractors who provide labor at a medical marijuana establishment.

Section 1. Chapter 453A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this regulation.

Sec. 2. ***"Concentrated cannabis" has the meaning ascribed to it in section 1.3 of Senate Bill No. 447, chapter 506, Statutes of Nevada 2015, at page 3085 (NRS 453.042).***

Sec. 3. ***"Extraction" has the meaning ascribed to it in section 1.4 of Senate Bill No. 447, chapter 506, Statutes of Nevada 2015, at page 3085 (NRS 453.0825).***

Sec. 4. ***"Foreign matter" means:***

1. Any plant matter which is more than 2 millimeters in size and which constitutes more than 5 percent of the product; or

2. Any physical contaminant,

which is included in concentrated cannabis, edible marijuana products or marijuana-infused products.

Sec. 5. ***1. "Letter of approval" has the meaning ascribed to it in section 12 of Senate Bill No. 447, chapter 506, Statutes of Nevada 2015, at page 3091 (NRS 453A.109).***

2. The term does not include:

(a) A letter issued by the Division accepting an application for a registry identification card;

(b) A recommendation or referral letter issued by a physician;

(c) A letter issued by another state or jurisdiction approving the medical use of marijuana; or

(d) Any other document which the Division determines does not meet the definition set forth in subsection 1.

Sec. 6. ***"Production run" means:***

1. For the extraction of concentrated cannabis by a medical marijuana establishment, the combination of one or more lots used to make the same product in one homogenous mixture produced using the same method which results in not more than 2.2 pounds of concentrated cannabis.

2. For the production of edible marijuana products or marijuana-infused products by a facility for the production of edible marijuana products or marijuana-infused products, one homogenous mixture produced at the same time using the same method and which may include a combination of concentrated cannabis and other materials for the production of edible marijuana products or marijuana-infused products.

Sec. 7. ***"Production run number" means a unique numeric or alphanumeric identifier assigned to a production run by a facility for the production of edible marijuana products or marijuana-infused products which accounts for each batch or lot or any concentrated cannabis used in the production run.***

Sec. 8. ***"Potential total THC" means the sum of the percentage by weight of tetrahydrocannabinolic acid multiplied by 0.877 plus the percentage by weight of THC.***

Sec. 9. ***1. A facility for the production of edible marijuana products or marijuana-infused products shall label all concentrated cannabis, edible marijuana products and marijuana-infused products before it sells the products to a medical marijuana dispensary and shall securely affix to the package a label that includes, without limitation, in legible English:***

(a) The name of the medical marijuana establishment and its medical marijuana establishment registration certificate number;

(b) The production run number;

(c) The date of production;

(d) The date of final testing;

(e) The date on which the product was packaged;

(f) The cannabinoid profile and potency levels and terpenoid profile as determined by the independent testing laboratory, which may include the potential total THC but shall not include any other calculated level of THC;

(g) If the product is perishable, the expiration date;

(h) The total amount of THC measured in milligrams;

(i) A list of all ingredients and all major food allergens as identified in 21 U.S.C. § 343;

(j) The net weight of the product; and

(k) If concentrated cannabis was added to the product or if the product consists solely of concentrated cannabis, a disclosure of the type of extraction process used and any solvent, gas or other chemical used in the extraction process or any other compound added to the concentrated cannabis.

2. The label required by subsection 1 for a container or package containing concentrated cannabis, edible marijuana products or marijuana-infused products sold by a facility for the production of edible marijuana products or marijuana-infused products must be in substantially the following form:

Alec's Infused Cannabis

Certificate Number: 123 456 789 001 0001

Production Run Number: 1234

Produced on: 01/01/2013

Final Testing Date: 01/15/2013

Packaged on: 01/17/2013

Best if used by: 3/17/2013

Cannabinoid profile:

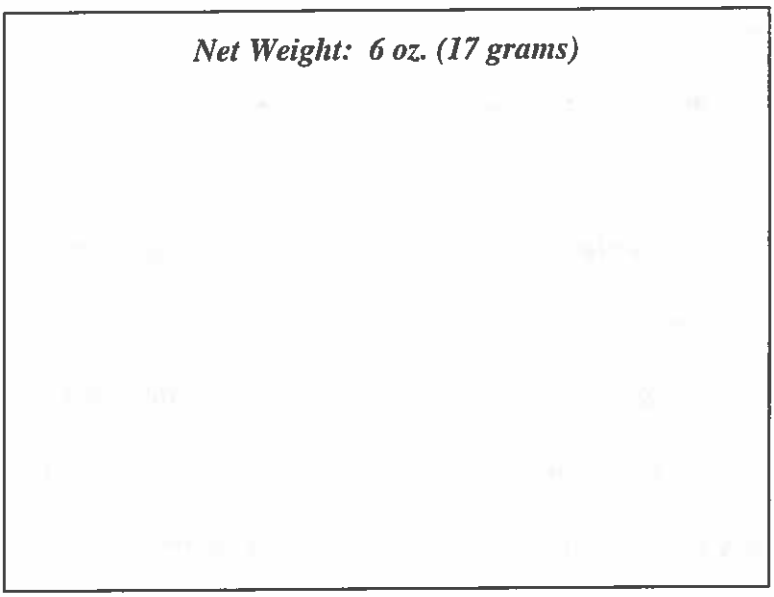
Terpenoid profile:

THC content:

This product contains concentrated cannabis produced with butane.

Ingredients: Wheat, Sugar, Milk Chocolate

Allergy Warning: Peanuts, Tree Nuts, Eggs, Wheat, Soy



Sec. 10. ***Products containing concentrated cannabis may only be produced by a facility for the production of edible marijuana products or marijuana-infused products.***

Sec. 11. ***A medical marijuana establishment shall:***

1. Use the Seed-to-Sale Inventory Program managed by the independent contractor selected by the Division;

2. Connect to the Seed-to-Sale Inventory Program using the independent contractor's application programming interface; and

3. Pay any fees assessed by the independent contractor for using the Seed-to-Sale Inventory Program, including, without limitation, user fees or application programming interface fees.

Sec. 12. ***1. A cultivation facility or a facility for the production of edible marijuana products or marijuana-infused products may conduct operations and request limited laboratory testing for research and development purposes.***

2. A cultivation facility or facility for the production of edible marijuana products or marijuana-infused products described in subsection 1 shall:

(a) Notify the Division of its intent to conduct research and development on a form prescribed by the Division by electronic mail at MMER&DTesting@health.nv.gov before sending a sample to an independent testing laboratory;

(b) Quarantine each batch, lot or production run in a separate quarantine area and label each batch, lot or production run with a distinctive label containing "R&D QUARANTINE" as a header and footer in 20-point white font and a red background;

(c) Account for all marijuana subject to quarantine pursuant to paragraph (b) in its inventory control system;

(d) Limit all research and development operations to clearly segregated and designated areas or rooms marked "R&D CULTIVATION AREA" or "R&D PRODUCTION AREA" on 8 1/2 by 11 inch signs with a red background and white lettering, posted at the entrance to the area or room and along the walls of the area or room, with a minimum of one sign for every 300 square feet of the area or room; and

(e) Perform research and development operations in a grow room only if the plants used for such operations are designated and separated from other plants.

3. A cultivation facility or facility for the production of edible marijuana products or marijuana-infused products operating as described in subsection 1 may request limited testing protocols from an independent testing laboratory for research and development purposes.

4. An independent testing laboratory that performs testing for a cultivation facility or facility for the production of edible marijuana products or marijuana-infused products

described in subsection 1 shall report the results of the testing to the medical marijuana establishment and to the Division by electronic mail at MMER&DTesting@health.nv.gov. The independent testing laboratory shall clearly mark the test results with "R&D TESTING ONLY -- NOT FOR RESALE" on the header and footer of the report in 20-point white font and a red background.

5. A batch, lot or production run produced for research and development purposes pursuant to this section which fails quality assurance testing need not be destroyed.

6. A batch, lot or production run originally produced for research and development purposes pursuant to this section may not be sold to a medical marijuana dispensary until the batch, lot or production run has undergone and passed all testing required by NAC 453A.654.

Sec. 13. NAC 453A.010 is hereby amended to read as follows:

453A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 453A.020 to 453A.078, inclusive, *and sections 2 to 8, inclusive, of this regulation* have the meanings ascribed to them in those sections.

Sec. 14. NAC 453A.023 is hereby amended to read as follows:

453A.023 "Batch" means *the usable flower and trim consisting of* a specific lot *or lots* of marijuana grown *by a cultivation facility* from one or more seeds or cuttings ~~[that are planted and harvested at the same time.]~~ *of the same strain of marijuana.*

Sec. 15. NAC 453A.061 is hereby amended to read as follows:

453A.061 "Lot" means:

1. The flowers from one or more marijuana plants of the same strain, in a quantity that weighs 5 pounds or less; ~~[or]~~

2. The leaves or other plant matter from one or more marijuana plants, other than full female flowers, in a quantity that weighs 15 pounds or less ~~[.]~~ ***; or***

3. The wet leaves or other plant matter from one or more marijuana plants used only for extraction, in a quantity that weighs 125 pounds or less.

Sec. 16. NAC 453A.100 is hereby amended to read as follows:

453A.100 1. In addition to the materials required by NRS 453A.210, an application for a registry identification card ***or letter of approval*** must include:

(a) A written statement signed by the applicant's attending physician verifying that he or she was presented with a photographic identification of the applicant and the designated primary caregiver, if any, ***or, for an application for a letter of approval, a photographic identification of the designated primary caregiver and, if such identification exists, of the applicant,*** and that the applicant and the designated primary caregiver, ~~[if any,]~~ ***as appropriate,*** are the persons named in the application;

(b) On forms prescribed by the Division, any information required by the Central Repository for Nevada Records of Criminal History;

(c) On forms prescribed by the Division, any information required by the Department of Motor Vehicles;

(d) A medical marijuana program waiver and liability release form that is prescribed by the Division and signed by the applicant and designated primary caregiver, if any ~~[.]~~ ***, or, if the application is for a letter of approval, by the designated primary caregiver and, if capable of signing, the applicant;***

(e) An acknowledgment form that is prescribed by the Division and signed by the applicant and designated primary caregiver, if any ~~[.]~~ ***, or, if the application is for a letter of approval, by the designated primary caregiver and, if capable of signing, the applicant;***

(f) If the applicant is under 18 years of age, a minor release form signed by the designated primary caregiver of the minor; and

(g) Proof that the applicant is a resident, including, without limitation, a photocopy of a driver's license issued by the Department of Motor Vehicles or a photocopy of an identification card issued by the Department of Motor Vehicles.

2. The Division will request a name-based check of an applicant, a ***designated primary*** caregiver or the parent of a child from the Central Repository for Nevada Records of Criminal History and, if such check is inadequate to determine the criminal history of an applicant, ***designated primary*** caregiver or parent of a child, the Division may request a complete set of the fingerprints of the applicant and the designated primary caregiver, if any.

3. As used in this section, "resident" has the meaning ascribed to it in NRS 453A.210.

Sec. 17. NAC 453A.110 is hereby amended to read as follows:

453A.110 1. If the Division approves an application for a registry identification card ~~[.]~~ ***or letter of approval:***

(a) The Division will provide the applicant and designated primary caregiver, if any, with written notice of its approval.

(b) The applicant and designated primary caregiver, if any, must present the written notice and proof of identity to an appropriate office of the Department of Motor Vehicles in order to

receive a registry identification card ~~[.]~~ ***or to the Division in order to receive a letter of approval.*** Upon the presentation of the written notice and proof of identity ~~[, the]~~ ***:***

(1) The Department of Motor Vehicles shall prepare and issue a registry identification card to the applicant and designated primary caregiver, if any, after it has confirmed by telephone or other reliable means that the Division has approved the issuance of the card ~~[.]~~ ***; and***

(2) If applicable, the Division will prepare and issue a letter of approval to the applicant.

2. If the Division denies an application for a registry identification card ~~[.]~~ ***or letter of approval,*** the Division will provide the applicant and designated primary caregiver, if any, with written notice of its denial by certified mail.

Sec. 18. NAC 453A.130 is hereby amended to read as follows:

453A.130 A person to whom a registry identification card ***or letter of approval*** has been issued may renew that card ***or letter*** by:

1. Submitting to the Division a form for renewal prescribed by the Division and the materials required by NRS 453A.210 and NAC 453A.100; and

2. Returning ~~[his or her]~~ ***the*** expired registry identification card ***or letter of approval*** to the ~~[Department of Motor Vehicles.]~~ ***Division.***

Sec. 19. NAC 453A.140 is hereby amended to read as follows:

453A.140 The Division will charge and collect the following fees:

1. For the issuance to a person, for the first time, of a packet of application materials to be used in applying for a registry identification card ***or letter of approval*** $25

2. For the issuance to a person of a registry identification card ***or letter of approval*** $75

after the Division has approved the person's application to receive ~~[such]~~ a ***registry identification*** card ***or letter of approval***

Sec. 20. NAC 453A.150 is hereby amended to read as follows:

453A.150 1. ~~[A]~~ ***Except as otherwise provided in subsection 3, a*** person with a chronic or debilitating disease to whom a registry identification card has been issued may not be a designated primary caregiver.

2. A designated primary caregiver may not be the designated primary caregiver to more than ~~[one person.]~~ ***two persons.***

3. A person with a chronic or debilitating disease to whom a registry identification card has been issued who is the parent or guardian of a child who has been issued a registry identification card or letter of approval may be the designated primary caregiver for such a child.

Sec. 21. NAC 453A.304 is hereby amended to read as follows:

453A.304 1. Once each year, the Division will determine whether a sufficient number of medical marijuana establishments exist to serve the people of this State and, if the Division determines that additional medical marijuana establishments are necessary, the Division will issue a request for applications to operate a medical marijuana establishment. The Division will provide notice of a request for applications to operate a medical marijuana establishment by:

(a) Posting on the ***Internet*** website of the Division that the Division is requesting applicants to submit their applications;

(b) Posting a copy of the request for applications at the principal office of the Division, the Legislative Building and at not less than three other separate, prominent places within this State; and

(c) Making notification of the posting locations using the electronic mailing list maintained by the Division for medical marijuana establishment information.

2. When the Division issues a request for applications pursuant to this section, the Division will include in the request the point values that will be allocated to each applicable portion of the application.

3. The Division will accept applications in response to a request for applications issued pursuant to this section for ***not more than*** 10 business days beginning on the date which is ~~[45 business]~~ ***30*** days after the date on which the Division issued the request for applications.

4. If the Division receives an application in response to a request for applications issued pursuant to this section on a date other than the dates set forth in subsection 3, the Division must not consider the application and must return the application to the entity that submitted the application.

Sec. 22. NAC 453A.306 is hereby amended to read as follows:

453A.306 An application submitted in response to a request for applications issued pursuant to NAC 453A.304 must include:

1. A one-time, nonrefundable application fee of $5,000.

2. An application on a form prescribed by the Division pursuant to subsection 2 of NRS 453A.322. The application must include, without limitation:

(a) Whether the applicant is applying for a medical marijuana establishment registration certificate for an independent testing laboratory, a cultivation facility, a facility for the production of edible marijuana products or marijuana-infused products or a medical marijuana dispensary;

(b) The name of the proposed medical marijuana establishment, as reflected in the articles of incorporation or other documents filed with the Secretary of State;

(c) The type of business organization of the applicant, such as individual, corporation, partnership, limited-liability company, association or cooperative, joint venture or any other business organization;

(d) Confirmation that the applicant has registered with the Secretary of State as the appropriate type of business, and the articles of incorporation, articles of organization or partnership or joint venture documents of the applicant;

(e) The physical address where the proposed medical marijuana establishment will be located and the physical address of any co-owned or otherwise affiliated medical marijuana establishments;

(f) The mailing address of the applicant;

(g) The telephone number of the applicant;

(h) The electronic mail address of the applicant;

(i) If the applicant is applying for a medical marijuana establishment registration certificate to operate a medical marijuana dispensary, the proposed hours of operation during which the medical marijuana dispensary plans to be available to dispense medical marijuana to ~~[patients]~~

persons who hold valid registry identification cards ~~[or to the]~~ ***, including, without limitation,*** designated primary caregivers ***;*** ~~[of such patients;]~~

(j) An attestation that the information provided to the Division to apply for the medical marijuana establishment registration certificate is true and correct according to the information known by the affiant at the time of signing; and

(k) The signature of a natural person for the proposed medical marijuana establishment as described in subsection 1 of NAC 453A.300 and the date on which the person signed the application.

3. Documentation from a financial institution in this State, or any other state or the District of Columbia, which demonstrates:

(a) That the applicant has at least $250,000 in liquid assets as required pursuant to sub-subparagraph (III) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322, which are unencumbered and can be converted within 30 days after a request to liquidate such assets; and

(b) The source of those liquid assets.

4. To assist the Division in considering the criterion of merit set forth in subsection 9 of NRS 453A.328, evidence of the amount of taxes paid to, or other beneficial financial contributions made to, this State or its political subdivisions within the last 5 years by the applicant or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment.

5. A description of the proposed organizational structure of the proposed medical marijuana establishment, including, without limitation:

(a) An organizational chart showing all owners, officers and board members of the proposed medical marijuana establishment;

(b) A list of all owners, officers and board members of the proposed medical marijuana establishment that contains the following information for each person:

(1) The title of the person;

(2) A short description of the role the person will serve in for the organization and his or her responsibilities;

(3) Whether the person has served or is currently serving as an owner, officer or board member for another medical marijuana establishment;

(4) Whether the person has served as an owner, officer or board member for a medical marijuana establishment that has had its medical marijuana establishment registration certificate revoked;

(5) Whether the person has previously had a medical marijuana establishment agent registration card revoked;

(6) Whether the person is an attending physician currently providing written documentation for the issuance of registry identification cards ~~[;]~~ ***or letters of approval;***

(7) Whether the person is a law enforcement officer;

(8) Whether the person is currently an employee or contractor of the Division; and

(9) Whether the person has an ownership or financial investment interest in any other medical marijuana establishment.

6. For each owner, officer and board member of the proposed medical marijuana establishment:

(a) An attestation signed and dated by the owner, officer or board member that he or she has not been convicted of an excluded felony offense, and that the information provided to support the application to operate a medical marijuana establishment is true and correct;

(b) A narrative description, not to exceed 750 words, demonstrating:

(1) Past experience working with governmental agencies and highlighting past community involvement;

(2) Any previous experience at operating other businesses or nonprofit organizations; and

(3) Any demonstrated knowledge or expertise with respect to the compassionate use of marijuana to treat medical conditions; and

(c) A resume.

7. To assist the Division in considering the criterion of merit set forth in subsection 7 of NRS 453A.328, documentation concerning the adequacy of the size of the proposed medical marijuana establishment to serve the needs of persons who are authorized to engage in the medical use of marijuana, including, without limitation, building and construction plans with supporting details.

8. To assist the Division in considering the criterion of merit set forth in subsection 8 of NRS 453A.328, the integrated plan of the proposed medical marijuana establishment for the care, quality and safekeeping of medical marijuana from seed to sale, including, without limitation, a plan for testing and verifying medical marijuana, a transportation plan and procedures to ensure adequate security measures, including, without limitation, building security and product security.

9. A plan for the business which includes, without limitation, a description of the inventory control system of the proposed medical marijuana establishment to satisfy the requirements of sub-subparagraph (II) of subparagraph (3) of paragraph (a) of subsection 3 of NRS 453A.322 ~~.~~ ***and section 11 of this regulation.***

10. To assist the Division in considering the criterion of merit set forth in subsection 1 of NRS 453A.328, a financial plan which includes, without limitation:

(a) Financial statements showing the resources of the applicant;

(b) If the applicant is relying on money from an owner, officer or board member, evidence that the person has unconditionally committed such money to the use of the applicant in the event the Division awards a medical marijuana establishment registration certificate to the applicant and the applicant obtains the necessary approvals from local governments to operate the proposed medical marijuana establishment; and

(c) Proof that the applicant has adequate money to cover all expenses and costs of the first year of operation.

11. Evidence that the applicant has a plan to staff, educate and manage the proposed medical marijuana establishment on a daily basis, which must include, without limitation:

(a) A detailed budget for the proposed medical marijuana establishment, including pre-opening, construction and first year operating expenses;

(b) An operations manual that demonstrates compliance with this chapter;

(c) An education plan which must include, without limitation, providing educational materials to the staff of the proposed medical marijuana establishment; and

(d) A plan to minimize the environmental impact of the proposed medical marijuana establishment.

12. To assist the Division in considering the criteria of merit set forth in subsections 6 and 7 of NRS 453A.328, a proposal demonstrating:

(a) The likely impact of the proposed medical marijuana establishment on the community in which it is proposed to be located; and

(b) The manner in which the proposed medical marijuana establishment will meet the needs of the persons who are authorized to engage in the medical use of marijuana.

13. If a local government in which a proposed medical marijuana establishment will be located has not enacted zoning restrictions or the applicant is not required to secure approval that the applicant is in compliance with any such restrictions, a professionally prepared survey which demonstrates that the applicant has satisfied all the requirements of sub-subparagraph (II) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322.

14. A response to and information which supports any other criteria of merit the Division determines to be relevant, which will be specified and requested by the Division at the time the Division issues a request for applications which includes the point values that will be allocated to the applicable portions of the application pursuant to subsection 2 of NAC 453A.304.

Sec. 23. NAC 453A.310 is hereby amended to read as follows:

453A.310 1. If ~~[, within 10 business days after the date on which the Division begins accepting applications in response to a request for applications issued pursuant to NAC 453A.304,]~~ the Division receives more than one application ***in response to a request for applications made pursuant to NAC 453A.304*** and the Division determines that more than one

of the applications is complete and in compliance with this chapter and chapter 453A of NRS, the Division will rank the applications, within each applicable local governmental jurisdiction for any applicants which are in a jurisdiction that limits the number of a type of medical marijuana establishment and statewide for each applicant which is in a jurisdiction that does not specify a limit, in order from first to last based on compliance with the provisions of this chapter and chapter 453A of NRS and on the content of the applications as it relates to:

(a) The ownership or authorized use of property as required by sub-subparagraph (IV) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322;

(b) Documentation of liquid assets as required by sub-subparagraph (III) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322;

(c) Evidence of taxes paid and other beneficial financial contributions as described in subsection 9 of NRS 453A.328; and

(d) The description of the proposed organizational structure of the proposed medical marijuana establishment and information concerning each owner, officer and board member of the proposed medical marijuana establishment, including, without limitation, the information provided pursuant to subsections 5 and 6 of NAC 453A.306.

2. The Division will not further evaluate an application that does not demonstrate a sufficient response to the criteria set forth in subsection 1 and will not issue a medical marijuana establishment registration certificate to that applicant.

3. If the Division receives any findings from a report concerning the criminal history of an applicant or person who is proposed to be an owner, officer or board member of a proposed medical marijuana establishment that disqualify that person from being qualified to serve in that

capacity, the Division will provide notice to the applicant and give the applicant an opportunity to revise its application. If a person who is disqualified from serving as an owner, officer or board member remains on the application as a proposed owner, officer or board member 90 days after the date on which the Division initially received the application, the Division may disqualify the application.

Sec. 24. NAC 453A.326 is hereby amended to read as follows:

453A.326 ~~[1. A medical marijuana establishment must surrender its medical marijuana establishment registration certificate and reapply for a medical marijuana establishment registration certificate during the next request for applications issued by the Division pursuant to NAC 453A.304:~~

~~(a) Before all or substantially all of the assets of the medical marijuana establishment or 10 percent or more of the stock of the medical marijuana establishment are transferred; or~~

~~(b) Except as otherwise provided in this section, any time there is a change in the location of the medical marijuana establishment if:~~

~~(1) It is a material change that requires the medical marijuana establishment to go through an approval process by a local governmental entity; or~~

~~(2) The new location is more than 5 miles from its original approved location.~~

~~2. A medical marijuana establishment may change the location of the medical marijuana establishment to a new location that is 5 miles or less from its original approved location if:~~

~~(a) It provides to the Division before it changes location:~~

~~(1) Written justification for the need to change the location; and~~

~~(2) Land use approval for the new location from the local government, if applicable; and~~

~~(b) The Division determines that the written justification is sufficient to justify the change in location.~~

~~3. A medical marijuana establishment may change the location of the medical marijuana establishment to a new location if the local government in which the medical marijuana establishment is located enacts zoning restrictions which prohibit the location of the medical marijuana establishment after the Division has issued a medical marijuana establishment registration certificate to the medical marijuana establishment.~~

~~4.]~~ If a medical marijuana establishment is closing, the manager of the medical marijuana establishment must notify the Division of the closing at least 15 days before the medical marijuana establishment is closed and the medical marijuana establishment must surrender its medical marijuana establishment registration certificate to the Division immediately upon closing.

~~[5. If, after investigation, the Division determines that there is cause to believe that a medical marijuana establishment has made changes in ownership or other changes to circumvent the provisions of NRS 453A.334 which prevent the transfer of a medical marijuana establishment registration certificate, the Division will take action to revoke the medical marijuana establishment registration certificate of that medical marijuana establishment.~~

~~6. A medical marijuana establishment is responsible to the Division for all costs incurred by the Division to determine whether any changes in ownership or other changes were made to circumvent the provisions of NRS 453A.334 which prevent the transfer of a medical marijuana establishment registration certificate.]~~

Sec. 25. NAC 453A.328 is hereby amended to read as follows:

453A.328 In addition to the information required to be submitted to the Division pursuant to subsection 5 of NRS 453A.322, a person or entity that wishes to renew a medical marijuana establishment registration certificate must submit to the Division:

1. An application in the format prescribed by the Division that includes:

(a) The identification number of the medical marijuana establishment;

(b) The name of the entity applying to renew the medical marijuana establishment registration certificate, as reflected in the articles of incorporation or other documents filed with the Secretary of State;

(c) The name of the person designated to submit applications for medical marijuana establishment agent registration cards on behalf of the medical marijuana establishment pursuant to subsection 2 of NRS 453A.332;

(d) If the medical marijuana establishment is a medical marijuana dispensary, the proposed hours of operation during which the medical marijuana dispensary plans to be available to dispense medical marijuana to ~~[patients]~~ ***persons*** who hold valid registry identification cards ~~[or to the]~~ ***, including, without limitation,*** designated primary caregivers ***;*** ~~[of such patients;]~~

(e) The number of the medical marijuana establishment agent registration cards issued to each owner, officer or board member of the medical marijuana establishment;

(f) For each owner, officer and board member of the medical marijuana establishment, whether the owner, officer or board member:

(1) Has served as an owner, officer or board member for a medical marijuana establishment that has had its medical marijuana establishment registration certificate revoked;

(2) Is an attending physician currently providing written documentation for the issuance of registry identification cards ~~.~~ ***or letters of approval;***

(3) Is a law enforcement officer;

(4) Is an employee or contractor of the Division; or

(5) Has an ownership or financial investment interest in any other medical marijuana establishment;

(g) An attestation that the information provided to the Division to renew the medical marijuana establishment registration certificate is true and correct according to the information known by the affiant at the time of signing; and

(h) The signature of a natural person for the medical marijuana establishment as described in subsection 1 of NAC 453A.300 and the date on which he or she signed the application.

2. A copy of an annual financial statement of the medical marijuana establishment for the previous year, or for the portion of the previous year during which the medical marijuana establishment was operational, which is prepared according to generally accepted accounting principles.

3. A report of an audit by an independent certified public accountant of the annual financial statement submitted pursuant to subsection 2 ~~.~~ ***or a compiled financial statement prepared by an independent accountant who has completed the educational requirements for a certificate of certified public accountant pursuant to NRS 628.200 and NAC 628.055.***

Sec. 26. NAC 453A.332 is hereby amended to read as follows:

453A.332 1. The Division will deny an application for or an application to renew a medical marijuana establishment registration certificate if:

(a) The application or the medical marijuana establishment is not in compliance with any provision of this chapter or chapter 453A of NRS; or

(b) An owner, officer or board member of the medical marijuana establishment:

(1) Is an employee or contractor of the Division;

(2) Has an ownership or financial investment interest in an independent testing laboratory and also is an owner, officer or board member of a medical marijuana dispensary, cultivation facility or facility for the production of edible marijuana products or marijuana-infused products; or

(3) Provides false or misleading information to the Division.

2. The Division will revoke a medical marijuana establishment registration certificate if:

(a) The medical marijuana establishment engages in an activity set forth in NRS 453A.340;

(b) An owner, officer or board member of the establishment has been convicted of an excluded felony offense; or

(c) The Division receives formal notice from the applicable local government that the medical marijuana establishment has had its authorization to operate terminated.

3. The Division may deny an application for or an application to renew a medical marijuana establishment registration certificate or may suspend or revoke any medical marijuana establishment registration certificate issued under the provisions of this chapter and chapter 453A of NRS upon any of the following grounds:

(a) Violation by the applicant or the medical marijuana establishment of any of the provisions of this chapter or chapter 453A of NRS.

(b) The failure or refusal of an applicant or medical marijuana establishment to comply with any of the provisions of this chapter or chapter 453A of NRS.

(c) The failure or refusal of a medical marijuana establishment to carry out the policies and procedures or comply with the statements provided to the Division in the application of the medical marijuana establishment.

(d) Operating a medical marijuana establishment without a medical marijuana establishment registration certificate.

(e) The failure or refusal to return an adequate plan of correction to the Division within 10 ***business*** days after receipt of a statement of deficiencies pursuant to NAC 453A.330.

(f) The failure or refusal to correct any deficiency specified by the Division within the period specified in a plan of correction developed pursuant to NAC 453A.330.

(g) The failure or refusal to cooperate fully with an investigation or inspection by the Division.

(h) The failure to comply with the provisions of chapter 372A of NRS and chapter 372A of NAC governing the imposition of an excise tax on medical marijuana establishments.

4. If the Division denies an application for or an application to renew a medical marijuana establishment registration certificate or revokes a medical marijuana establishment registration certificate, the Division must provide notice to the applicant or medical marijuana establishment that includes, without limitation, the specific reasons for the denial or revocation.

5. Before denying an application for or an application to renew a medical marijuana establishment registration certificate or revoking a medical marijuana establishment registration certificate as a result of the actions of an owner, officer or board member of the medical

marijuana establishment pursuant to paragraph (b) of subsection 1 or paragraph (b) of subsection 2, the Division may provide the medical marijuana establishment with an opportunity to correct the situation.

6. The Division will not deny an application to renew a medical marijuana establishment registration certificate or revoke a medical marijuana establishment registration certificate based on a change in ownership of the medical marijuana establishment if the medical marijuana establishment is in compliance with the provisions of this chapter and chapter 453A of NRS.

Sec. 27. NAC 453A.336 is hereby amended to read as follows:

453A.336 1. The Division will issue medical marijuana establishment agent registration cards for each of the following categories:

(a) An independent testing laboratory;

(b) A cultivation facility;

(c) A facility for the production of edible marijuana products or marijuana-infused products; ~~[or]~~

(d) A medical marijuana dispensary ~~[.]~~ ***; and***

(e) An independent contractor who provides labor relating to the cultivation or processing of marijuana, the production of usable marijuana, edible marijuana products or marijuana-infused products or the extraction of concentrated cannabis for a medical marijuana establishment or an employee of such an independent contractor.

2. Each medical marijuana establishment agent registration card issued pursuant to NRS 453A.332 must indicate the applicable category. ~~[The]~~ ***A*** person ***who is employed by or volunteers at a medical marijuana establishment and*** to whom ~~[the]~~ ***a*** medical marijuana

establishment registration card is issued may only be employed by or volunteer at the type of medical marijuana establishment for which he or she is registered. ***An independent contractor or employee of an independent contractor to whom a medical marijuana establishment registration card is issued may only provide labor as a medical marijuana establishment agent at the type of medical marijuana establishment for which the independent contractor or employee of an independent contractor is registered.***

3. A medical marijuana establishment shall ensure that training is provided to a medical marijuana establishment agent before that person begins to work or volunteer at ***or provide labor as a medical marijuana establishment agent at*** the medical marijuana establishment. Such training must include, without limitation:

(a) The proper use of security measures and controls that have been adopted by the medical marijuana establishment for the prevention of diversion, theft or loss of marijuana;

(b) Procedures and instructions for responding to an emergency; and

(c) State and federal statutes and regulations regarding confidentiality of information related to the medical use of marijuana.

4. In addition to the training set forth in subsection 3, a medical marijuana dispensary shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at ***or provide labor as a medical marijuana establishment agent at*** the medical marijuana dispensary. Such instruction must include, without limitation:

(a) The different strains of marijuana;

(b) The different methods of using marijuana, edible marijuana products and marijuana-infused products; and

(c) Learning to recognize signs of medicine abuse or instability in the medical use of marijuana by a patient.

5. In addition to the training set forth in subsection 3, an independent testing laboratory shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at ***or provide labor as a medical marijuana establishment agent at*** the independent testing laboratory. Such instruction must include, without limitation:

(a) The good laboratory practices adopted by the independent testing laboratory; and

(b) The standard operating procedures and the quality control and quality assurance programs of the independent testing laboratory.

6. In addition to the training set forth in subsection 3, a cultivation facility shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at ***or provide labor as a medical marijuana establishment agent at*** the cultivation facility. Such instruction must include, without limitation:

(a) The methods of cultivation used by the cultivation facility;

(b) The methods of fertilization used by the cultivation facility;

(c) Methods for recognizing the signs of insect infestation, pathogens and disease in marijuana plants, and the procedures for eradication and the safe disposal of plants so affected;

(d) The nutritional requirements of marijuana plants at various growth stages, including, without limitation, proper mixing and dispersal of fertilizer, flushing procedures and procedures for postharvest trimming, drying and curing; and

(e) The safe handling of equipment, including, without limitation, high-intensity discharge lamps, electrical ballasts, pumps, fans, cutting implements and other equipment for cultivation.

7. In addition to the training set forth in subsection 3, a facility for the production of edible marijuana products or marijuana-infused products shall ensure that instruction is provided to a medical marijuana establishment agent before that person begins to work or volunteer at ***or provide labor as a medical marijuana establishment agent at*** the facility for the production of edible marijuana products or marijuana-infused products. Such instruction must include, without limitation:

(a) Understanding the difference between ***concentrated cannabis,*** topical products, edible marijuana products and marijuana-infused products, as applicable to the operations of the facility for the production of edible marijuana products or marijuana-infused products;

(b) The procedures used by the facility for the production of edible marijuana products or marijuana-infused products to create ***concentrated cannabis,*** edible marijuana products or marijuana-infused products; and

(c) The proper procedures for handling ***concentrated cannabis,*** edible marijuana products or marijuana-infused products, including, without limitation, the procedures used to prepare, produce, package and store such products as required by the provisions of this chapter and chapter 453A of NRS.

Sec. 28. NAC 453A.352 is hereby amended to read as follows:

453A.352 1. Except as otherwise provided in subsection 2 of NRS 453A.344, the Division will charge and collect the following fees:

For the initial issuance of a medical marijuana establishment registration certificate for a medical marijuana dispensary.....$30,000

For the renewal of a medical marijuana establishment registration certificate for a medical marijuana dispensary 5,000

For the initial issuance of a medical marijuana establishment registration certificate for a cultivation facility 3,000

For the renewal of a medical marijuana establishment registration certificate for a cultivation facility 1,000

For the initial issuance of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products 3,000

For the renewal of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products 1,000

For ***each person identified in an application for*** the initial issuance of a medical marijuana establishment agent registration card 75

For ***each person identified in an application for*** the renewal of a medical marijuana establishment agent registration card 75

For the initial issuance of a medical marijuana establishment registration certificate for an independent testing laboratory 5,000

For the renewal of a medical marijuana establishment registration certificate for an independent testing laboratory 3,000

2. ***Each medical marijuana establishment shall submit the fee required by subsection 1 to the Division on or after July 1 and on or before July 15 of each calendar year.***

3. As used in this section, "medical marijuana establishment registration certificate" includes a provisional medical marijuana establishment registration certificate.

4. For the ongoing activities of the Division relating to the ~~[inspection]~~ ***oversight*** of medical marijuana establishments, not related to processing an application by a medical marijuana establishment, the Division will collect an assessment from each medical marijuana establishment for the time and effort attributed to the oversight of the medical marijuana establishment ~~[that is based upon the]~~ ***at an*** hourly rate established ~~[for each inspector or auditor of medical marijuana establishments as determined]~~ by ~~[the budget of]~~ the Division.

Sec. 29. NAC 453A.404 is hereby amended to read as follows:

453A.404 A medical marijuana establishment shall not sell a lot of usable marijuana, ***concentrated cannabis,*** edible marijuana products or marijuana-infused products until all required quality assurance testing has been completed.

Sec. 30. NAC 453A.406 is hereby amended to read as follows:

453A.406 1. Except as otherwise provided in this section, the only persons who may be on the premises of a medical marijuana establishment are:

(a) A medical marijuana establishment agent;

(b) A patient who holds a valid registry identification card ~~[,]~~ ***or letter of approval;***

(c) The designated primary caregiver of a patient who holds a valid registry identification card ~~[,]~~ or ***letter of approval; or***

(d) A person inspecting the medical marijuana establishment pursuant to NAC 453A.320 or 453A.322.

2. Any person other than those authorized to be on the premises of a medical marijuana establishment pursuant to subsection 1 must obtain a visitor identification badge from a medical marijuana establishment agent before entering the premises of the medical marijuana establishment.

3. A person who obtains a visitor identification badge pursuant to subsection 2, including, without limitation, an outside vendor or contractor:

(a) Must be escorted and monitored by a medical marijuana establishment agent at all times he or she is on the premises of the medical marijuana establishment;

(b) Must visibly display his or her visitor identification badge at all times he or she is on the premises of the medical marijuana establishment; and

(c) Must return the visitor identification badge to a medical marijuana establishment agent upon leaving the premises of the medical marijuana establishment.

4. Each medical marijuana establishment shall maintain a visitor log which includes the name of the visitor and the date, time and purpose of each visit by a person other than those authorized to be on the premises of the medical marijuana establishment pursuant to subsection 1. The medical marijuana establishment shall make its visitor log available to the Division upon request.

5. Each regular, seasonal or temporary employee of or volunteer at ***or person who provides labor as a medical marijuana establishment agent at*** a medical marijuana establishment must obtain a medical marijuana establishment agent registration card pursuant to the provisions of

this chapter and chapter 453A of NRS and may not be authorized to be on the premises of the medical marijuana establishment by obtaining a visitor identification badge pursuant to the provisions of this section.

Sec. 31. NAC 453A.408 is hereby amended to read as follows:

453A.408 A medical marijuana establishment shall:

1. Develop, document and implement policies and procedures regarding:

(a) Job descriptions and employment contracts, including, without limitation:

(1) The duties, authority, responsibilities and qualifications of personnel;

(2) Supervision of personnel;

(3) Training in and adherence to confidentiality requirements;

(4) Periodic performance evaluations; and

(5) Disciplinary actions.

(b) Business records, such as manual or computerized records of assets and liabilities, monetary transactions, journals, ledgers and supporting documents, including, without limitation, agreements, checks, invoices and vouchers.

(c) Inventory control, including, without limitation:

(1) Tracking;

(2) Packaging;

(3) Accepting marijuana from ~~[patients]~~ ***persons*** who hold valid registry identification cards ~~[and from their]~~ ***, including, without limitation,*** designated primary caregivers;

(4) Acquiring marijuana from other medical marijuana establishments; and

(5) Disposing of unusable marijuana.

(d) Records of patients who hold valid registry identification cards ~~[,]~~ ***and letters of approval and the designated primary caregivers of persons who hold letters of approval,*** including, without limitation, purchases, denials of sale, any delivery options, confidentiality and retention.

(e) Patient education and support, including, without limitation:

(1) The availability of different strains of marijuana and the purported effects of the different strains;

(2) Information about the purported effectiveness of various methods, forms and routes of administering medical marijuana; and

(3) The prohibition on the smoking of marijuana in public places, places open to the public and places exposed to public view.

2. Maintain copies of the policies and procedures developed pursuant to subsection 1 at the medical marijuana establishment and provide copies to the Division for review upon request.

Sec. 32. NAC 453A.410 is hereby amended to read as follows:

453A.410 A medical marijuana establishment shall:

1. Ensure that each medical marijuana establishment agent has his or her medical marijuana establishment agent registration card in his or her immediate possession when the medical marijuana establishment agent:

(a) Is employed by, ~~[or]~~ volunteering at ***or providing labor as a medical marijuana establishment agent at*** the medical marijuana establishment; or

(b) Is transporting marijuana, edible marijuana products or marijuana-infused products for the medical marijuana establishment.

2. Not allow a person who does not possess a medical marijuana establishment agent registration card issued under the medical marijuana establishment registration certificate to:

(a) Serve as an officer or board member for the medical marijuana establishment;

(b) Be employed by or have a contract to provide services for the medical marijuana establishment; ~~[or]~~

(c) Volunteer at or on behalf of the medical marijuana establishment ~~[.]~~ ***; or***

(d) Contract to provide labor at or be employed by an independent contractor to provide labor at a medical marijuana establishment.

3. Provide written notice to the Division, including the date of the event, within 10 working days after the date on which a medical marijuana establishment agent no longer:

(a) Serves as an officer or board member for the medical marijuana establishment;

(b) Is employed by or has a contract to provide services for the medical marijuana establishment; ~~[or]~~

(c) Volunteers at or on behalf of the medical marijuana establishment ~~[.]~~ ***; or***

(d) Contracts to provide labor at or be employed by an independent contractor to provide labor at a medical marijuana establishment.

4. Provide written notice to the Division, including the date of the event, within 10 ***business*** days after the date on which an owner, officer or board member ceases to serve in that capacity at the medical marijuana establishment.

Sec. 33. NAC 453A.412 is hereby amended to read as follows:

453A.412 Before a medical marijuana establishment agent dispenses medical marijuana to the holder of a valid registry identification card ~~[or the]~~ ***, including, without limitation, a***

designated primary ~~[caretaker of such a person,]~~ ***caregiver,*** the medical marijuana establishment agent shall:

1. Verify the identity of the holder of the registry identification card ; ~~[or the designated primary caregiver;]~~

2. Offer any appropriate patient education or support materials;

3. Verify the validity of the registry identification card ***or letter of approval*** of the patient or the designated primary ~~[caretaker;]~~ ***caregiver, if any;***

4. Verify that the amount of medical marijuana the patient or the designated primary caregiver is requesting would not cause the patient to exceed the limit on obtaining no more than 2 1/2 ounces of medical marijuana during any one 14-day period as set forth in NRS 453A.200 or the limit on obtaining edible marijuana products and marijuana-infused products set forth in NAC 453A.704; and

5. Enter the following information into the electronic verification system:

(a) The name and number of the registry identification card of the patient or the name of the designated primary caregiver of the patient ~~[;]~~ ***or, if the patient holds a letter of approval, the name of the patient and the name and number of the registry identification card of the designated primary caregiver of the patient;***

(b) The amount of medical marijuana dispensed;

(c) Whether the medical marijuana was dispensed to the patient or to the designated primary caregiver of the patient;

(d) The date and time at which the medical marijuana was dispensed;

(e) The number of the medical marijuana establishment agent registration card of the medical marijuana establishment agent; and

(f) The number of the medical marijuana establishment registration certificate of the medical marijuana establishment.

Sec. 34. NAC 453A.414 is hereby amended to read as follows:

453A.414 1. Each medical marijuana establishment shall designate in writing a medical marijuana establishment agent who has oversight of the inventory control system of the medical marijuana establishment.

2. ~~[A]~~ ***Except as otherwise provided in subsection 3, a*** medical marijuana establishment shall only acquire marijuana, edible marijuana products or marijuana-infused products from:

(a) Another medical marijuana establishment, including, without limitation, a cultivation facility and a facility for the production of edible marijuana products or marijuana-infused products, except that a medical marijuana dispensary may not purchase marijuana from another medical marijuana dispensary; or

(b) A person who holds a valid registry identification card ~~[or his or her]~~ , ***including, without limitation, a*** designated primary caregiver , in the manner set forth in subsection 5 of NRS 453A.352.

3. ***A medical marijuana establishment shall not acquire concentrated cannabis or products containing concentrated cannabis from another medical marijuana establishment, except that a medical marijuana dispensary or a facility for the production of edible marijuana products or marijuana-infused products may acquire concentrated cannabis or products***

containing concentrated cannabis from a facility for the production of edible marijuana products or marijuana-infused products.

4. Each ***cultivation facility,*** medical marijuana ~~[establishment]~~ ***dispensary and facility for the production of edible marijuana products or marijuana-infused products*** shall establish and implement an inventory control system that documents:

(a) Each day's beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable marijuana and ending inventory ~~[.]~~ ***, including, without limitation, the:***

(1) Number of plants and cuttings;

(2) Weight of flowers, measured in grams;

(3) Weight of trim, measured in grams;

(4) Quantity of THC, measured in milligrams; and

(5) Weight of seeds, measured in grams.

(b) When acquiring medical marijuana from a person who holds a valid registry identification card ~~[or his or her]~~ ***, including, without limitation, a*** designated primary caregiver:

(1) A description of the medical marijuana acquired, including the amount and strain as specified by the cardholder , ~~[or caregiver,]~~ if known;

(2) The name and number of the valid registry identification card of the person who provided the medical marijuana ***;*** ~~[or, if provided by a designated primary caregiver, his or her name;]~~

(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the medical marijuana on behalf of the medical marijuana dispensary; and

(4) The date of acquisition.

(c) When acquiring medical marijuana from another medical marijuana establishment:

(1) A description of the medical marijuana acquired, including the amount, strain and batch number ~~,~~ ***lot number and production run number, or any combination thereof;***

(2) The name and identification number of the medical marijuana establishment registration certificate of the medical marijuana establishment providing the medical marijuana;

(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the medical marijuana;

(4) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the medical marijuana on behalf of the medical marijuana establishment; and

(5) The date of acquisition.

(d) For each batch of marijuana cultivated:

(1) The batch number ~~,~~ ***lot number and production run number, as applicable.***

(2) Whether the batch originated from marijuana seeds or marijuana cuttings.

(3) The strain of the marijuana seeds or marijuana cuttings planted.

(4) The number of marijuana seeds or marijuana cuttings planted.

(5) The date on which the marijuana seeds or cuttings were planted.

(6) A list of all chemical additives used in the cultivation, including, without limitation, nonorganic pesticides, herbicides and fertilizers.

(7) The number of marijuana plants grown to maturity.

(8) Harvest information, including, without limitation:

(I) The date of harvest;

(II) The final yield weight of processed usable marijuana ~~[;]~~ ***, in grams;*** and

(III) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent responsible for the harvest.

(9) The disposal of marijuana that is not usable marijuana, including:

(I) A description of and reason for the marijuana being disposed of, including, if applicable, the number of failed or other unusable marijuana plants;

(II) The date of disposal;

(III) Confirmation that the marijuana was rendered unusable before disposal;

(IV) The method of disposal; and

(V) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent responsible for the disposal.

(e) When providing medical marijuana to another medical marijuana establishment:

(1) The amount, strain , ~~[and]~~ batch number , ***lot number and production run number, as applicable,*** of medical marijuana provided to the medical marijuana establishment;

(2) The name and medical marijuana establishment registration certificate number of the other medical marijuana establishment;

(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent who received the medical marijuana on behalf of the other medical marijuana establishment; and

(4) The date on which the medical marijuana was provided to the medical marijuana establishment.

(f) When receiving edible marijuana products from another medical marijuana establishment:

(1) A description of the edible marijuana products received from the medical marijuana establishment, including the total weight of each edible marijuana product and the ~~[estimated]~~ amount ***of THC, measured in milligrams,*** and ~~[batch]~~ ***the production run*** number of the marijuana in each edible marijuana product.

(2) The total ~~[estimated]~~ amount and ~~[batch]~~ ***production run*** number of marijuana in the edible marijuana products.

(3) The name and:

(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the edible marijuana products to the receiving medical marijuana establishment;

(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the edible marijuana products to the receiving medical marijuana establishment; and

(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the edible marijuana products on behalf of the receiving medical marijuana establishment.

(4) The date on which the edible marijuana products were provided to the medical marijuana establishment.

(g) When receiving marijuana-infused products from another medical marijuana establishment:

(1) A description of the marijuana-infused products received from the medical marijuana establishment, including the total weight of each marijuana-infused product and the ~~[estimated]~~ amount ***of THC, measured in milligrams,*** and ~~[batch]~~ ***the production run*** number of the marijuana infused in each marijuana-infused product.

(2) The total ~~[estimated]~~ amount and ~~[batch]~~ ***production run*** number of marijuana infused in the marijuana-infused products.

(3) The name and:

(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the marijuana-infused products to the receiving medical marijuana establishment;

(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the marijuana-infused products to the receiving medical marijuana establishment; and

(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the marijuana-infused products on behalf of the receiving medical marijuana establishment.

(4) The date on which the marijuana-infused products were provided to the medical marijuana establishment.

~~[4.]~~ ***(h) When receiving concentrated cannabis or products containing concentrated cannabis from a facility for the production of edible marijuana products or marijuana-infused products:***

(1) A description of the concentrated cannabis or products containing concentrated cannabis received from the facility for the production of edible marijuana products or marijuana-infused products, including the total weight of each product, the amount of THC, measured in milligrams, and the production run number for each product;

(2) The name and:

(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the concentrated cannabis or products containing concentrated cannabis to the receiving medical marijuana establishment;

(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the concentrated cannabis or products containing concentrated cannabis to the receiving medical marijuana establishment; and

(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the concentrated cannabis or products containing concentrated cannabis on behalf of the receiving medical marijuana establishment; and

(3) The date on which the concentrated cannabis or products containing concentrated cannabis were provided to the medical marijuana establishment.

5. Each medical marijuana establishment shall:

(a) Establish and maintain a perpetual inventory system which adequately documents the flow of materials through the manufacturing process;

(b) Establish procedures which reconcile the raw material used to the finished product on the basis of each job. Significant variances must be documented, investigated by management personnel and immediately reported to the Division and to the medical marijuana establishment

that ordered the ***concentrated cannabis,*** edible marijuana product or marijuana-infused product; and

(c) Provide for quarterly physical inventory counts to be performed by persons independent of the manufacturing process which are reconciled to the perpetual inventory records. Significant variances must be documented, investigated by management personnel and immediately reported to the Division.

~~[5.]~~ *6.* If a medical marijuana establishment identifies a reduction in the amount of medical marijuana in the inventory of the medical marijuana establishment not due to documented causes, the medical marijuana establishment shall determine where the loss has occurred and take and document corrective action. If the reduction in the amount of medical marijuana in the inventory of the medical marijuana establishment is due to suspected criminal activity by a medical marijuana establishment agent, the medical marijuana establishment shall report the medical marijuana establishment agent to the Division and to the appropriate law enforcement agencies.

~~[6.]~~ *7.* A medical marijuana establishment shall:

(a) Maintain the documentation required in subsections ~~[3, 4 and 5]~~ ***4, 5 and 6*** at the medical marijuana establishment for at least 5 years after the date on the document; and

(b) Provide the documentation required in subsections ~~[3, 4 and 5]~~ ***4, 5 and 6*** to the Division for review upon request.

Sec. 35. NAC 453A.416 is hereby amended to read as follows:

453A.416 1. A medical marijuana establishment agent authorized by the medical marijuana establishment for which he or she is employed or volunteers may transport marijuana,

paraphernalia, edible marijuana products and marijuana-infused products between the medical marijuana establishment and:

(a) Another medical marijuana establishment; and

(b) A person who holds a valid registry identification card ~~[or his or her]~~ ***, including, without limitation, a*** designated primary caregiver.

2. Not more than 10 ounces of marijuana, edible marijuana products or marijuana-infused products, or any combination thereof, may be transported at any one time from a medical marijuana establishment to persons who hold valid registry identification cards ~~[or their]~~ ***, including, without limitation,*** designated primary caregivers.

3. When transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products to a person who holds a valid registry identification card ~~[or his or her]~~ ***, including, without limitation, a*** designated ***primary*** caregiver, pursuant to subsection 1, a medical marijuana establishment agent must:

(a) Before transportation, confirm verbally with the patient or designated primary caregiver by telephone that the patient or designated primary caregiver ordered the marijuana, paraphernalia, edible marijuana products or marijuana-infused products and verify the identity of the patient ~~[;]~~ ***and designated primary caregiver, if applicable;***

(b) Enter the details of the confirmation obtained pursuant to paragraph (a) in a log which must be available for inspection by the appropriate law enforcement agency; and

(c) Secure a signature from the patient or designated primary caregiver when the items are delivered and may only leave the items with the patient or designated primary caregiver.

4. Before transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, a medical marijuana establishment agent must:

(a) Complete a trip plan that includes, without limitation:

(1) The name of the medical marijuana establishment agent in charge of the transportation;

(2) The date and start time of the trip;

(3) A description of the marijuana, paraphernalia, edible marijuana products and marijuana-infused products being transported; and

(4) The anticipated route of transportation.

(b) Provide a copy of the trip plan completed pursuant to paragraph (a) to the medical marijuana establishment for which he or she is providing the transportation.

5. During the transportation of marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, the medical marijuana establishment agent must:

(a) Carry a copy of the trip plan completed pursuant to paragraph (a) of subsection 4 with him or her for the duration of the trip;

(b) Have his or her medical marijuana establishment agent registration card in his or her immediate possession;

(c) Use a vehicle without any identification relating to marijuana and which is equipped with a secure lockbox or locking cargo area which must be used for the sanitary and secure transportation of marijuana, paraphernalia, edible marijuana products or marijuana-infused products;

(d) Have a means of communicating with the medical marijuana establishment for which he or she is providing the transportation; and

(e) Ensure that all marijuana, paraphernalia, edible marijuana products or marijuana-infused products are not visible.

6. After transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, a medical marijuana establishment agent must enter the end time of the trip and any changes to the trip plan that was completed pursuant to paragraph (a) of subsection 4.

7. Each medical marijuana establishment agent transporting marijuana, paraphernalia, edible marijuana products or marijuana-infused products pursuant to subsection 1, must:

(a) Report any vehicle accident that occurs during the transportation to a person designated by the medical marijuana establishment to receive such reports within 2 hours after the accident occurs; and

(b) Report any loss or theft of marijuana, paraphernalia, edible marijuana products or marijuana-infused products that occurs during the transportation to a person designated by the medical marijuana establishment to receive such reports immediately after the medical marijuana establishment agent becomes aware of the loss or theft. A medical marijuana establishment that receives a report of loss or theft pursuant to this paragraph must immediately report the loss or theft to the appropriate law enforcement agency and to the Division as required by NAC 453A.418.

8. A medical marijuana establishment shall:

(a) Maintain the documents required in paragraph (a) of subsection 4 and subsections 6 and 7; and

(b) Provide a copy of the documents required in paragraph (a) of subsection 4 and subsections 6 and 7 to the Division for review upon request.

9. Each medical marijuana establishment shall maintain a log of all reports received pursuant to subsection 7.

10. A medical marijuana establishment agent authorized by the medical marijuana establishment at which he or she provides labor as an independent contractor:

(a) May transport marijuana, paraphernalia, edible marijuana products and marijuana-infused products:

(1) From the medical marijuana establishment to another medical marijuana establishment;

(2) Between the buildings of the medical marijuana establishment;

(3) To the State Department of Agriculture for laboratory testing; and

(4) To a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver;

(b) Shall comply with the provisions of this chapter and chapter 453A of NRS which apply to a medical marijuana establishment agent, including, without limitation, provisions relating to:

(1) Compliance with the transportation guidelines and policies of the Division;

(2) Maintenance and filing of all applicable trip plans and logs;

(3) Compliance with safety and security protocols; and

(4) Ensuring that all marijuana, edible marijuana products and marijuana-infused products are accounted for in the inventory control system of the medical marijuana establishment at which the agent provides labor; and

(c) Shall not operate without a valid medical marijuana establishment agent registration card.

Sec. 36. NAC 453A.420 is hereby amended to read as follows:

453A.420 To prevent unauthorized access to medical marijuana at a medical marijuana establishment, the medical marijuana establishment must have:

1. Security equipment to deter and prevent unauthorized entrance into limited access areas that includes, without limitation:

(a) Devices or a series of devices to detect unauthorized intrusion, which may include a signal system interconnected with a radio frequency method, such as cellular or private radio signals, or other mechanical or electronic device;

(b) Exterior lighting to facilitate surveillance;

(c) Electronic monitoring, including, without limitation:

(1) At least one call-up monitor that is 19 inches or more;

(2) A video printer capable of immediately producing a clear still photo from any video camera image;

(3) Video cameras with a recording resolution of at least 704 x 480 or the equivalent which provide coverage of all entrances to and exits from limited access areas and all entrances to and exits from the building and which are capable of identifying any activity occurring in or adjacent to the building;

(4) A video camera at each point-of-sale location which allows for the identification of any person who holds a valid registry identification card ~~[or his or her]~~ ***, including, without limitation, a*** designated primary caregiver, purchasing medical marijuana;

(5) A video camera in each grow room which is capable of identifying any activity occurring within the grow room in low light conditions;

(6) A method for storing video recordings from the video cameras for at least 30 calendar days;

(7) A failure notification system that provides an audible and visual notification of any failure in the electronic monitoring system; and

(8) Sufficient battery backup for video cameras and recording equipment to support at least 5 minutes of recording in the event of a power outage; and

(d) Immediate automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the medical marijuana establishment in the interior of each building of the medical marijuana establishment.

2. Policies and procedures:

(a) That restrict access to the areas of the medical marijuana establishment that contain medical marijuana to persons authorized to be in those areas only;

(b) That provide for the identification of persons authorized to be in the areas of the establishment that contain medical marijuana;

(c) That prevent loitering;

(d) For conducting electronic monitoring; and

(e) For the use of the automatic or electronic notification to alert local law enforcement agencies of an unauthorized breach of security at the medical marijuana establishment.

Sec. 37. NAC 453A.422 is hereby amended to read as follows:

453A.422 1. Each medical marijuana establishment must ensure that each medical marijuana establishment agent who is employed by , ~~[or]~~ volunteers at ***or provides labor as a medical marijuana establishment agent to*** the medical marijuana establishment:

(a) Cleans his or her hands and exposed portions of his or her arms in a hand-washing sink:

(1) Before preparing ***concentrated cannabis,*** edible marijuana products or marijuana-infused products, including, without limitation, working with ingredients, equipment or utensils;

(2) During preparation, as often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks;

(3) After handling soiled equipment or utensils;

(4) After touching bare human body parts other than his or her clean hands and exposed portions of arms; and

(5) After using the toilet facilities.

(b) If working directly in the preparation of ***concentrated cannabis,*** edible marijuana products or marijuana-infused products:

(1) Keeps his or her fingernails trimmed, filed and maintained so that the edges and surfaces are cleanable; and

(2) Unless wearing intact gloves in good repair, does not have fingernail polish or artificial fingernails on his or her fingernails.

(c) Wears clean clothing appropriate to the tasks assigned to him or her.

2. If the person designated by a medical marijuana establishment to address health conditions at the medical marijuana establishment determines that a medical marijuana establishment agent who is employed by, ~~[or]~~ volunteers at ***or provides labor as a medical marijuana establishment agent to*** the medical marijuana establishment has a health condition that may adversely affect the safety or quality of the ***concentrated cannabis,*** edible marijuana products or marijuana-infused products at the medical marijuana establishment, that medical marijuana establishment agent is prohibited from having direct contact with any marijuana or equipment or materials for processing ***concentrated cannabis,*** edible marijuana products or marijuana-infused products until the designated person determines that the health condition of the medical marijuana establishment agent will not adversely affect the ***concentrated cannabis,*** edible marijuana products or marijuana-infused products.

Sec. 38. NAC 453A.424 is hereby amended to read as follows:

453A.424 1. A building used as a medical marijuana establishment must have:

(a) At least one toilet facility which must contain:

(1) A flushable toilet;

(2) Mounted toilet tissue;

(3) A ***hand*** sink with running water ~~[,]~~ ***which is capable of delivering hot water at a minimum temperature of 100°F (39.4°C);***

(4) Soap contained in a dispenser; and

(5) Disposable, single-use paper towels in a mounted dispenser. ~~[or a mechanical air hand dryer.]~~

(b) At least one hand-washing sink not located in a toilet facility.

(c) Designated storage areas for ***concentrated cannabis,*** edible marijuana products or marijuana-infused products or materials used in direct contact with such ~~[products]~~ ***items*** separate from storage areas for toxic or flammable materials.

(d) If preparation or packaging of ***concentrated cannabis,*** edible marijuana products or marijuana-infused products is done in the building, a designated area for the preparation or packaging that:

(1) Includes work space that can be sanitized; and

(2) Is only used for the preparation or packaging of ***concentrated cannabis,*** edible marijuana products or marijuana-infused products.

2. For any commercial weighing and measuring equipment used at a medical marijuana establishment, the medical marijuana establishment must:

(a) Ensure that the commercial device is licensed pursuant to chapter 581 of NRS;

(b) Maintain documentation of the license of the commercial device; and

(c) Provide a copy of the license of the commercial device to the Division for review upon request.

Sec. 39. NAC 453A.450 is hereby amended to read as follows:

453A.450 Each medical marijuana dispensary shall:

1. Ensure that the medical marijuana dispensary is operating and available to dispense or sell marijuana, edible marijuana products or marijuana-infused products to ~~[patients]~~ ***persons*** who hold valid registry identification cards ~~[or to the]~~ ***, including, without limitation,*** designated primary caregivers ***,*** ~~[of such patients]~~ during, and only during, the designated hours of operation of the medical marijuana dispensary as provided to the Division pursuant to paragraph (i) of

subsection 2 of NAC 453A.306 and the hours authorized by the local government in which the medical marijuana dispensary is located; and

2. Post, in a place that can be viewed by persons entering the medical marijuana dispensary, the hours of operation during which the medical marijuana dispensary will dispense or sell marijuana, edible marijuana products or marijuana-infused products to ~~[patients]~~ ***persons*** who hold valid registry identification cards ~~[or to the]~~ , ***including, without limitation,*** designated primary caregivers . ~~[of such patients.]~~

Sec. 40. NAC 453A.452 is hereby amended to read as follows:

453A.452 1. Each medical marijuana dispensary shall ensure that:

(a) A patient record is established and maintained for each holder of a valid registry identification card ***or letter of approval*** who obtains marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary;

(b) An entry in a patient record:

(1) Is recorded only by a medical marijuana establishment agent who is authorized by the policies and procedures of the medical marijuana dispensary to make an entry;

(2) Is dated and signed by the medical marijuana establishment agent who is recording the entry;

(3) Includes the number of the medical marijuana establishment agent registration card of the medical marijuana establishment agent who is recording the entry; and

(4) Is not changed to make the initial entry illegible;

(c) If an electronic signature is used to sign an entry, the medical marijuana establishment agent whose signature the electronic code represents is accountable for the use of the electronic signature;

(d) A patient record is only accessed by a medical marijuana establishment agent authorized by the policies and procedures of the medical marijuana dispensary to access the patient record;

(e) A patient record is provided to the Division for review upon request;

(f) A patient record is protected from loss, damage or unauthorized use; and

(g) A patient record is maintained for at least 5 years after the date on which the patient or his or her designated primary caregiver last requested marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary.

2. If a medical marijuana dispensary maintains patient records electronically, the medical marijuana dispensary shall ensure that:

(a) There are safeguards to prevent unauthorized access; and

(b) The date and time of an entry in a patient record is recorded electronically by an internal clock.

3. A medical marijuana dispensary shall ensure that the patient record for a holder of a valid registry identification card ***or letter of approval*** who requests or whose designated primary caregiver on behalf of the holder of the valid registry identification card ***or letter of approval*** requests marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary contains:

(a) Patient information that includes:

(1) The name of the patient;

(2) The date of birth of the patient; and

(3) The name of the designated primary caregiver of the patient, if applicable;

(b) Documentation of any patient education and support materials provided to the patient or the designated primary caregiver of the patient, including, without limitation, a description of the materials and the date on which the materials were provided; and

(c) For each time the patient requests and does not obtain marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary or, if applicable, the designated primary caregiver requests on behalf of the patient and does not obtain marijuana, edible marijuana products or marijuana-infused products from the medical marijuana dispensary, the following:

(1) The date;

(2) The name and number of the registry identification card of the patient who requested the marijuana, edible marijuana products or marijuana-infused products ~~[.]~~ ***or, if the patient holds a letter of approval, the name of the patient and the name and number of the registry identification card of his or her designated primary caregiver;*** and

(3) The reason the marijuana, edible marijuana products or marijuana-infused products was not provided.

Sec. 41. NAC 453A.456 is hereby amended to read as follows:

453A.456 1. A medical marijuana dispensary must store all usable marijuana, ***concentrated cannabis,*** edible marijuana products and marijuana-infused products behind a counter or other barrier to ensure a customer does not have direct access to the ***usable*** marijuana, ***concentrated cannabis,*** edible marijuana products or marijuana-infused products.

2. Upon the request of a customer, a medical marijuana dispensary must disclose the name of the independent testing laboratory which performed the required quality assurance tests for the medical marijuana establishment.

3. Except as otherwise provided in subsection 5, a medical marijuana dispensary may only sell concentrated cannabis, edible marijuana products and marijuana-infused products obtained from a facility for the production of edible marijuana products or marijuana-infused products which holds a medical marijuana establishment registration certificate issued by the Division.

4. Except as otherwise provided in subsection 5, a medical marijuana dispensary may not sell a product other than usable marijuana, concentrated cannabis, edible marijuana products or marijuana-infused products which contains any level of THC or CBD without the approval of the Division. Each medical marijuana dispensary shall maintain a file which contains test results for any such approved product at the dispensary and shall make the file available for review upon request.

5. The provisions of subsections 3 and 4 do not apply to industrial hemp, as defined in section 7 of Senate Bill No. 305, chapter 349, Statutes of Nevada 2015, at page 1973 (NRS 557.040), which is certified and registered with the State Department of Agriculture.

Sec. 42. NAC 453A.500 is hereby amended to read as follows:

453A.500 1. ~~[Any]~~ ***When sold at a medical marijuana dispensary, any*** product containing marijuana must be packaged in child-resistant packaging in accordance with 16 C.F.R. § 1700 or the standards specified in subsection 2 or 3.

2. Except as otherwise provided in subsection 3, marijuana-infused products in solid or liquid form ***and concentrated cannabis*** must be packaged in plastic which is 4 ~~[millimeters]~~ ***mils*** or more in thickness. ~~[and must be heat-sealed without an easy-open tab, dimple, corner or flap so that it is difficult for a child to open and as a tamperproof measure.]~~

3. Marijuana-infused products in liquid form ***and concentrated cannabis*** may be sealed using a metal crown cork-style bottle cap.

4. Any container or packaging containing usable marijuana, ***concentrated cannabis,*** edible marijuana products or marijuana-infused products must protect the contents from contamination and must not impart any toxic or deleterious substance to the usable marijuana, ***concentrated cannabis*** or marijuana product.

Sec. 43. NAC 453A.502 is hereby amended to read as follows:

453A.502 Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall:

1. Use for labeling all marijuana, edible marijuana products and marijuana-infused products the standard label described in NAC 453A.506 to 453A.512, inclusive ~~[.]~~ ***, and section 9 of this regulation.***

2. Exercise strict control over labeling materials issued for use in labeling operations for marijuana, edible marijuana products and marijuana-infused products;

3. Carefully examine labeling materials issued for a batch for identity and conformity to the labeling specified in the applicable production or control records; and

4. Have and follow written procedures describing in sufficient detail the control procedures employed for the issuance of labeling.

Sec. 44. NAC 453A.504 is hereby amended to read as follows:

453A.504 A cultivation facility or facility for the production of edible marijuana products or marijuana-infused products shall not label usable marijuana, ***concentrated cannabis,*** edible marijuana products or marijuana-infused products as "organic" unless the marijuana plants used are produced, processed and certified in a manner that is consistent with the national organic standards established by the United States Department of Agriculture in accordance with the Organic Foods Production Act of 1990.

Sec. 45. NAC 453A.506 is hereby amended to read as follows:

453A.506 1. Any medical marijuana establishment that packages marijuana, edible marijuana products or marijuana-infused products must individually package, label and seal the marijuana or marijuana products in unit sizes such that no single unit contains more than a 2 1/2 ounce supply of marijuana.

2. For marijuana, edible marijuana products or marijuana-infused products that are intended to be dispensed or sold to a holder of a valid registry identification card ~~[or his or her]~~ , ***including, without limitation, a*** designated primary caregiver:

(a) The text used on all labeling must be printed in at least 10-point font and may not be in italics; and

(b) Each label must be at least 2 ~~[3/4]~~ ***1/4*** inches high by 4 inches wide.

Sec. 46. NAC 453A.508 is hereby amended to read as follows:

453A.508 1. A cultivation facility ~~[or facility for the production of edible marijuana products or marijuana-infused products]~~ shall label all marijuana ~~[, edible marijuana products and marijuana-infused products]~~ before it sells the marijuana ~~[or marijuana products]~~ to a

medical marijuana dispensary and shall securely affix to the package a label that includes, without limitation, in legible English:

(a) The name of the medical marijuana establishment and its medical marijuana establishment registration certificate number;

(b) The lot number;

(c) The date of harvest;

(d) The date of final testing;

(e) The date on which the product was packaged;

(f) The cannabinoid profile and potency levels and ~~[terpinoid]~~ ***terpenoid*** profile as determined by the independent testing laboratory ~~[.]~~ ***, which may include the potential total THC but shall not include any other calculated level of THC;***

(g) If the product is perishable, the expiration date; and

(h) The quantity of marijuana being sold.

2. The label required by subsection 1 for a container or package containing usable marijuana ~~[, edible marijuana products or marijuana infused products]~~ sold by a cultivation facility ~~[or facility for the production of edible marijuana products or marijuana infused products]~~ must be in substantially the following form:

JT'S NURSERY

Certificate Number: 123 456 789 001 0001

Lot Number:

1234

Harvested on:

01/01/2013

Final Testing Date: 01/15/2013

Packaged on: 01/17/2013

Best if used by: ~~[March 17, 2013]~~ ***3/17/2013***

16.7% THC 1.5% CBD 0.3% CBN

Myrcene 5.6 mg/g Limonene 5.1 mg/g Valencene 3.5 mg/g

Net Weight: 2 lbs.

Sec. 47. NAC 453A.510 is hereby amended to read as follows:

453A.510 1. A medical marijuana dispensary must affix to each container or package containing usable marijuana sold at retail a label which must include, without limitation:

(a) The business or trade name and the medical marijuana establishment registration certificate number of the cultivation facility that cultivated and sold the usable marijuana.

(b) The lot number.

(c) The date and quantity dispensed, including the net weight measured in ounces and grams or by volume, as appropriate.

(d) The name and registry identification card number of the patient and, if applicable, the name of his or her designated primary caregiver ~~[.]~~ ***or, if the patient holds a letter of approval, the name of the patient and the name and number of the registry identification card of his or her designated primary caregiver.***

(e) The name and address of the medical marijuana dispensary.

(f) The cannabinoid profile and potency levels and ~~[terpinoid]~~ ***terpenoid*** profile as determined by the independent testing laboratory ~~[.]~~ ***, which may include the potential total THC but shall not include any other calculated level of THC.***

(g) A warning that states: "This product may have intoxicating effects and may be habit forming."

(h) The statement: "This product may be unlawful outside of the State of Nevada."

(i) The date on which the marijuana was harvested.

2. The label required by subsection 1 for a container or package containing usable marijuana sold at retail must be in substantially the following form:

Joe's Plant Emporium Cert.#: 123 456 789 001 0001

Lot#: 1234 Harvested: 01/01/2013

Dispensed to: John J. Smith #1234987 on 11/27/2013

by

We Care Dispensary

123 Main Street, Carson City, NV 89701

WARNING:

This product may have intoxicating effects

and may be habit forming.

16.7% THC 1.5% CBD 0.3% CBN

Myrcene 5.6 mg/g Limonene 5.1 mg/g Valencene

3.5 mg/g

Net Weight: .25 ounces (7 grams)

This product may be unlawful outside the State of

Nevada.

3. A medical marijuana dispensary must provide with all usable marijuana sold at retail accompanying material that discloses any pesticides applied to the marijuana plants and growing medium during production and processing and contains the following warnings:

(a) "Warning: This product may have intoxicating effects and may be habit forming. Smoking is hazardous to your health."

(b) "There may be health risks associated with consumption of this product."

(c) "Should not be used by women who are pregnant or breast feeding."

(d) "For use only by the person named on the label of the dispensed product. Keep out of the reach of children."

(e) "Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug."

4. The text used on all accompanying material must be printed in at least 12-point font and may not be in italics.

Sec. 48. NAC 453A.512 is hereby amended to read as follows:

453A.512 1. A medical marijuana dispensary must affix to each container or package containing ***concentrated cannabis,*** edible marijuana products or marijuana-infused products sold at retail a label which must include, without limitation:

(a) The business or trade name and the medical marijuana establishment registration certificate number of the facility for the production of edible marijuana products or marijuana-infused products that ***extracted and sold the concentrated cannabis or*** manufactured and sold the product.

(b) The ***production run number that accounts for all*** lot numbers of all marijuana used to ***extract the concentrated cannabis or*** create the product ~~[.]~~ ***, as recorded in the inventory control system of the facility for the production of edible marijuana products or marijuana-infused products that sold the concentrated cannabis or product.***

(c) ~~[The batch number of the product.~~

~~(d) The date and quantity dispensed, including the net weight in ounces and grams or by volume, as appropriate.~~

~~(e)]~~ The name and registry identification card number of the patient and, if applicable, the name of his or her designated ***primary*** caregiver ~~[.~~

~~(f)]~~ ***or, if the patient holds a letter of approval, the name of the patient and the name and number of the registry identification card of his or her designated primary caregiver.***

(d) The name and address of the medical marijuana dispensary.

~~[(g)]~~ ***(e)*** The date on which the ***concentrated cannabis was extracted or the*** product was manufactured.

~~[(h)]~~ ***(f) The date on which the concentrated cannabis or product was packaged.***

(g) If the product is perishable, a suggested use-by date.

~~[(i)]~~ ***(h)*** The ~~[total milligrams of active cannabinoids and terpinoids in]~~ ***cannabinoid profile and terpenoid profile of*** the product, as ~~[provided]~~ ***determined*** by the independent testing laboratory that tested the product ~~[.~~

~~(j)]~~ ***, which may include the potential total THC but shall not include any other calculated level of THC.***

(i) A list of all ingredients and all major food allergens as identified in 21 U.S.C. §§ 343.

(j) The net weight of the concentrated cannabis or product.

(k) A warning that states: "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours."

(l) If ***concentrated cannabis or*** a marijuana extract was added to the product, a disclosure of the type of extraction process and any solvent, gas or other chemical used in the extraction process, or any other compound added to the extract.

(m) A warning that states: "This product may have intoxicating effects and may be habit forming."

(n) A statement that: "This product may be unlawful outside of the State of Nevada."

2. The front and back of the label required by subsection 1 for a container or package containing ***concentrated cannabis,*** edible marijuana products or marijuana-infused products sold at retail must be in substantially the following form:

We Care Dispensary, 123 Main Street, Carson City, NV 89701

Date Dispensed: 3/27/2014 **To:** John J. Smith #1234987

Cookie

Net Weight: 6oz (168 Grams)

~~[Serving Size: 10mg of THC~~

~~Contains 10 servings and a total of 100 MG of THC~~

~~Use]~~ ***Produced on: 1/1/2013***

Final Testing Date: 1/15/2013

Packaged on: 1/17/2013

Best if used by: 6/3/2014

~~[Myrcene 5.6 mg/g Limonene 5.1 mg/g Valencene 3.5 mg/g]~~

Cannabinoid profile:

Terpenoid profile:

THC content:

CAUTION: When eaten or swallowed the intoxicating effects of this product can be delayed 2 or more hours.

Manufactured at: Joe's Kitchen Cert.#: 321654987101 0401

123 Main Street, Las Vegas, NV on 2/1/14

~~[Lot#: 1234 Batch]~~ ***Production Run*** #5463

INGREDIENTS: Flour, Butter, Canola Oil, Sugar, Chocolate, Marijuana, Strawberries

CONTAINS ALLERGENS: Milk, Wheat

Contains marijuana extract processed with butane.

Contains concentrated cannabis produced with CO2.

WARNING: This product may have intoxicating effects and may be habit forming.

3. A medical marijuana dispensary must provide with all ***concentrated cannabis,*** edible marijuana products and marijuana-infused products sold at retail accompanying material that discloses any pesticides applied to the marijuana plants and growing medium during production

of the marijuana used to create the extract added to the edible marijuana products or marijuana-infused products and the type of extraction method used, including, without limitation, any solvents, gases or other chemicals or compounds used to produce or that are added to the extract, and contains the following warnings:

(a) "There may be health risks associated with consumption of this product."

(b) "This product contains or is infused with marijuana or active compounds of marijuana."

(c) "Should not be used by women who are pregnant or breast feeding."

(d) "For use only by the person named on the label of the dispensed product. Keep out of the reach of children."

(e) "Products containing marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug."

(f) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by 2 or more hours."

4. The text used on all accompanying material must be printed in at least 12-point font and may not be in italics.

Sec. 49. NAC 453A.552 is hereby amended to read as follows:

453A.552 Based on the risks inherent to the operation of a facility for the production of edible marijuana products or marijuana-infused products, the persons responsible for managing each such facility shall demonstrate to the Division knowledge of disease prevention, and the requirements of this chapter and chapter 453A of NRS by:

1. Complying with the provisions of this chapter and chapter 453A of NRS and having no violations of a critical nature during inspections.

2. Attending appropriate courses and training and implementing an appropriate training program for all medical marijuana establishment agents engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products at the facility.

3. Responding correctly to the questions of an inspector of medical marijuana establishments regarding:

(a) The relationship between the prevention of disease and the personal hygiene of a medical marijuana establishment agent engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products.

(b) The prevention of the transmission of disease by a medical marijuana establishment agent engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products who has a disease or medical condition that may transmit disease.

(c) The symptoms associated with the diseases that are transmissible through marijuana products and ingredients.

(d) The significance of the relationship between maintaining the temperature for a certain amount of time for potentially hazardous marijuana products and ingredients and the prevention of illness transmission.

(e) The hazards involved in the consumption of raw or undercooked meat, poultry and eggs.

(f) The required temperatures and times for safe cooking of potentially hazardous marijuana products and ingredients, including, without limitation, meat, poultry and eggs.

(g) The required temperatures and times for the safe refrigerated storage, hot holding, cooling and reheating of potentially hazardous marijuana products and ingredients.

(h) The relationship between the prevention of illness transmission and the management and control of:

(1) Cross contamination;

(2) Hand contact with finished marijuana products and ingredients;

(3) Hand washing; and

(4) Maintaining the establishment in a clean condition and in good repair.

(i) The correct procedures for cleaning and sanitizing utensils and the surfaces of equipment that have direct contact with marijuana products and ingredients.

(j) The identification of poisonous or toxic materials in the facility and the procedures necessary to ensure that those materials are safely stored, dispensed, used and disposed of according to applicable state and federal laws and regulations.

Sec. 50. NAC 453A.554 is hereby amended to read as follows:

453A.554 Each medical marijuana establishment agent engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products shall keep his or her hands and the exposed portions of his or her arms clean.

Sec. 51. NAC 453A.556 is hereby amended to read as follows:

453A.556 1. Each medical marijuana establishment agent engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products shall, when required pursuant to NAC 453A.558, clean his or her hands and the exposed portions of his or her arms for at least 20 seconds, using a cleaning compound in a hand-washing sink that is appropriately equipped.

2. Each medical marijuana establishment agent engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products shall use the following cleaning procedure in the order stated to clean his or her hands and the exposed portions of his or her arms, including, without limitation, surrogate prosthetic devices for hands and arms:

(a) Rinse under clean, running warm water.

(b) Apply an amount of cleaning compound recommended by the manufacturer of the cleaning compound.

(c) Rub together vigorously for at least 15 seconds while:

(1) Paying particular attention to removing soil from underneath the fingernails during the cleaning procedure; and

(2) Creating friction on the surfaces of the hands and arms, fingertips and areas between the fingers.

(d) Thoroughly rinse under clean, running warm water.

(e) Immediately follow the cleaning procedure with thorough drying.

Sec. 52. NAC 453A.558 is hereby amended to read as follows:

453A.558 Each medical marijuana establishment agent engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products shall clean his or her hands and exposed portions of his or her arms in the manner set forth in NAC 453A.556:

1. Immediately before engaging in preparation for the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products, including, without

limitation, working with exposed marijuana products, clean equipment and utensils and unwrapped single-service and single-use articles;

2. After touching bare human body parts other than clean hands and exposed portions of arms, including, without limitation, surrogate prosthetic devices for hands and arms;

3. After using the toilet room;

4. After coughing, sneezing, using a handkerchief or disposable tissue, using tobacco, eating or drinking;

5. After handling soiled equipment or utensils;

6. During preparation for the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products, as often as necessary to remove soil and contamination and to prevent cross-contamination when changing tasks;

7. When switching between working with raw marijuana products and working with finished ***concentrated cannabis,*** edible marijuana products or marijuana-infused products;

8. Before donning gloves for working with marijuana products; and

9. After engaging in other activities that contaminate the hands.

Sec. 53. NAC 453A.560 is hereby amended to read as follows:

453A.560 1. A medical marijuana establishment agent engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products shall not have contact with exposed, finished marijuana products with his or her bare hands and shall use suitable utensils, including, without limitation, deli tissue, spatulas, tongs, single-use gloves or dispensing equipment when handling exposed, finished ***concentrated cannabis,*** edible marijuana products or marijuana-infused products.

2. A medical marijuana establishment agent engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products shall minimize bare hand and arm contact with exposed marijuana products that are not in a finished form.

Sec. 54. NAC 453A.564 is hereby amended to read as follows:

453A.564 1. Except as otherwise provided in subsection 2, each facility for the production of edible marijuana products or marijuana-infused products shall ensure that marijuana products and ingredients are protected from cross-contamination by:

(a) Separating raw animal ingredients during storage, preparation, holding and display from raw marijuana products, or other raw finished ingredients such as fruits and vegetables, and from ***concentrated cannabis and*** cooked or baked and finished edible marijuana products or marijuana-infused products.

(b) Except when combined as ingredients, separating types of raw animal ingredients from each, including, without limitation, meat, poultry and eggs, during storage, preparation, holding and display by preparing each type of raw animal ingredient at a different time or in a different area and:

(1) Using separate equipment for each type of raw animal ingredient; or

(2) Arranging each type of raw animal ingredient in equipment so that cross-contamination of one type of raw animal ingredient with another is prevented.

(c) Preparing each type of raw animal ingredient at different times or in separate areas.

2. The provisions of ~~[this section]~~ ***subsection 1*** do not apply to items stored frozen in a freezer.

3. Marijuana products must be protected from contamination by storing the product in a clean, dry location:

(a) Where the products are not exposed to splashes, dust or other contamination; and

(b) Fifteen centimeters or more above the floor.

4. Marijuana products and direct contact surfaces of equipment and utensils must be stored and handled in a manner that prevents any biological, chemical or physical contamination at all times.

Sec. 55. NAC 453A.572 is hereby amended to read as follows:

453A.572 1. Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that it provides:

(a) A sink with at least three compartments for manually washing, rinsing and sanitizing equipment and utensils; ~~[and]~~

(b) Sink compartments that are large enough to accommodate immersion of the largest equipment and utensils ~~[.]~~ *; and*

(c) Running water that reaches a minimum temperature of 120°F (49°C).

2. If equipment or utensils are too large for the warewashing sink, a facility for the production of edible marijuana products or marijuana-infused products must use a warewashing machine or alternative equipment.

Sec. 56. NAC 453A.576 is hereby amended to read as follows:

453A.576 Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that:

1. In a mechanical operation, the temperature of the fresh hot water sanitizing rinse as it enters the manifold is not more than 194°F (90°C) or less than 180°F (82°C).

2. A chemical sanitizer used in a sanitizing solution for a manual or mechanical operation at contact times is used in accordance with the manufacturer's label use instructions that are approved by the Environmental Protection Agency, and as follows:

(a) A chlorine solution must have a ~~[minimum temperature based on the concentration and pH of the solution as listed in the following chart:~~

~~Concentration Range~~	~~Minimum Temperature~~	
~~mg/L~~	~~pH 10 or less °F (°C)~~	~~pH 8 or less °F (°C)~~
~~25 – 49~~	~~120°F (49°C)~~	~~120°F (49°C)~~
~~50 – 99~~	~~100°F (38°C)~~	~~75°F (24°C)~~
~~100 or more~~	~~55°F (13°C)~~	~~55°F (13°C)]~~

concentration between 50 parts per million and 100 parts per million or be otherwise prepared in accordance with the manufacturer's label.

(b) An iodine solution must have ~~[:~~

~~(1) A minimum temperature of 68°F (20°C);~~

~~(2) A pH of 5.0 or less or a pH not higher than the level for which the manufacturer specifies the solution is effective, whichever limit is higher; and~~

~~(3) A~~] *a* concentration between 12.5 ~~[mg/L]~~ ***parts per million*** and 25 ~~[mg/L.]~~ ***parts per million.***

(c) A quaternary ammonium compound solution must:

(1) ~~[Have a minimum temperature of 75°F (24°C);~~

~~(2)~~] Have a concentration of ~~[not less than]~~ 200 ~~[mg/L;~~

~~(3)~~] ***parts per million or be otherwise prepared in accordance with the manufacturer's label; and***

(2) Be used as indicated by the use directions of the manufacturer included on the label . ~~[;~~ ~~and~~

~~(4) Be used only in water with 500 mg/L hardness or less, or in water having a hardness not greater than specified by the manufacturer's label use instructions that are approved by the Environmental Protection Agency, whichever limit is higher.]~~

3. If a chemical sanitizer other than chlorine, iodine or a quaternary ammonium compound is used, it is applied in accordance with the manufacturer's label use instructions that are approved by the Environmental Protection Agency.

Sec. 57. NAC 453A.586 is hereby amended to read as follows:

453A.586 Each facility for the production of edible marijuana products or marijuana-infused products shall ensure that the light intensity in the facility is:

1. At least 20 foot candles (215 lux):

(a) At a distance of 30 inches (75 cm) above the floor in walk-in refrigeration units and areas for storage of dry marijuana products and in other areas and rooms during periods of cleaning;

(b) Inside equipment such as reach-in and under-counter refrigerators; and

(c) At a distance of 30 inches (75 cm) above the floor in areas used for hand washing, warewashing and equipment and utensil storage and in toilet rooms.

2. At least 50 foot candles (540 lux) at a surface where a medical marijuana establishment agent engaged in the ***extraction of concentrated cannabis or*** production of edible marijuana products or marijuana-infused products is working with marijuana products or working with utensils or equipment, including, without limitation, knives, slicers, grinders or saws where employee safety is a factor.

Sec. 58. NAC 453A.590 is hereby amended to read as follows:

453A.590 1. Except as otherwise provided in subsection 2, each facility for the production of edible marijuana products or marijuana-infused products shall ensure that filters for liquid filtration used in the ***extraction of concentrated cannabis or*** manufacture, processing or packaging of marijuana-infused products intended for human use do not release fibers into such products.

2. Fiber-releasing filters may be used when it is not possible to ***extract concentrated cannabis or*** manufacture marijuana-infused products without the use of these filters. If the use of a fiber-releasing filter is necessary, the facility for the production of edible marijuana products or marijuana-infused products shall use an additional nonfiber-releasing filter having a maximum nominal pore size rating of 0.2 micron, or 0.45 micron if the manufacturing conditions so dictate, to reduce the content of particles in the ***concentrated cannabis or*** marijuana-infused product.

3. A facility for the production of edible marijuana products or marijuana-infused products shall not use an asbestos-containing filter.

Sec. 59. NAC 453A.606 is hereby amended to read as follows:

453A.606 1. Each medical marijuana establishment shall ensure that any building used to manufacture, process, package, ***support*** or hold marijuana or marijuana products:

(a) Is of suitable size, construction and location to facilitate cleaning, maintenance and proper operations; ~~[and]~~

(b) Has adequate space for the orderly placement of equipment and materials to prevent miscalculation or misuse of any component in any step of the manufacture, control, packaging, labeling or distribution of marijuana or marijuana products between different components, product containers, closures, labels, in-process materials and marijuana or marijuana products and to prevent contamination ~~[.]~~ ***; and***

(c) Contains interior surfaces which are not constructed of bare, painted or coated wood or wood product unless:

(1) The bare, painted or coated wood is within a building used only as a medical marijuana dispensary and all marijuana or marijuana products are packaged or protected at all times; or

(2) The wood is sealed and coated with an epoxy paint which renders the surface:

(I) Safe;

(II) Durable, corrosion-resistant, nonporous and nonabsorbent;

(III) Finished to have a smooth, easily cleanable surface; and

(IV) Resistant to pitting, chipping, crazing, scratching, scoring, distortion and decomposition.

2. Each medical marijuana establishment shall ensure that:

(a) The flow of components, product containers, closures, labels, in-process materials and marijuana and marijuana products through any building used to manufacture, process, package or hold marijuana or marijuana products is designed to prevent contamination;

(b) The operations of the medical marijuana establishment are performed within specifically defined areas of adequate size; and

(c) There are separate or defined areas or such other control systems for the operations of the medical marijuana establishment as are necessary to prevent contamination or miscalculation or misuse of any component in any step of the manufacture, control, packaging, labeling or distribution of marijuana or marijuana products during the course of the following procedures:

(1) Receipt, identification, storage and withholding from use of components, product containers, closures and labels, pending the appropriate sampling, testing or examination by the quality control unit before release for manufacturing, processing or packaging;

(2) Holding rejected components, product containers, closures and labels before disposition;

(3) Storage of released components, product containers, closures and labels;

(4) Storage of in-process materials;

(5) Processing operations;

(6) Packaging and labeling operations;

(7) Quarantine storage before the release of marijuana or marijuana products;

(8) Storage of marijuana or marijuana products after release;

(9) Control and laboratory operations; and

(10) Sanitary processing, which includes as appropriate:

(I) Floors, walls and ceilings made of smooth, hard surfaces that are easily cleanable;

(II) Temperature and humidity controls;

(III) An air supply filtered through high-efficiency particulate air filters under positive pressure;

(IV) A system for monitoring environmental conditions;

(V) A system for cleaning and sanitizing rooms and equipment; and

(VI) A system for maintaining any equipment used to control sanitary conditions.

Sec. 60. NAC 453A.620 is hereby amended to read as follows:

453A.620 Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that:

1. It has written procedures describing in sufficient detail the receipt, identification, storage, handling, sampling, testing and approval or rejection of components, product containers and closures and that it follows those procedures;

2. Components, product containers and closures are at all times handled and stored in a manner so as to prevent contamination; ***and***

3. Bagged or boxed components, product containers or closures are stored off the floor and are suitably spaced to permit cleaning and inspection . ~~[; and~~

~~4. Each container or grouping of containers for components, product containers or closures is identified with a distinctive code for each lot in each shipment received. This code must be used in recording the disposition of each lot. Each lot must be appropriately identified as to its status such as quarantined, approved or rejected.]~~

Sec. 61. NAC 453A.626 is hereby amended to read as follows:

453A.626 1. Each cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary shall ensure that marijuana or marijuana products that have been subjected to improper storage conditions, including, without limitation, extremes in temperature, humidity, smoke, fumes, pressure, age or radiation due to natural disasters, fires, accidents or equipment failures, are not salvaged and returned to the marketplace.

2. Whenever it is unclear whether marijuana or marijuana products have been subjected to the conditions described in subsection 1, a cultivation facility, facility for the production of edible marijuana products or marijuana-infused products or medical marijuana dispensary may conduct salvaging operations only if there is:

(a) Evidence from laboratory tests and assays that the marijuana or marijuana products meet all applicable standards of identity, strength, quality and purity; and

(b) Evidence from inspection of the premises that the marijuana or marijuana products and their associated packaging were not subjected to improper storage conditions as a result of the disaster or accident, if any.

3. A cultivation facility, facility for the production of edible marijuana products or marijuana-infused products and medical marijuana dispensary must maintain records, including, without limitation, the name, lot number, ***production run number*** and disposition for marijuana or marijuana products salvaged pursuant to subsection 2.

Sec. 62. NAC 453A.652 is hereby amended to read as follows:

453A.652 1. Each independent testing laboratory must:

(a) Follow the most current version of the *Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control* monograph published by the American Herbal Pharmacopoeia; or

(b) Notify the Division of the alternative testing methodology the laboratory is following for each quality assurance test it conducts. The Division may require the independent testing laboratory to have the testing methodology followed pursuant to this paragraph validated by an independent third-party to ensure that the methodology followed by the laboratory produces scientifically accurate results before the laboratory may use the methodology when conducting testing services.

2. ***Each independent testing laboratory shall become proficient in testing samples using analytical methods approved by the Division within 6 months after the date upon which the independent testing laboratory is issued a medical marijuana establishment registration certificate.***

3. The Division may require an independent testing laboratory to have its basic proficiency to execute correctly the analytical testing methodologies used by the laboratory validated and monitored on an ongoing basis by an independent third-party.

~~[3.]~~ *4.* Each independent testing laboratory shall:

(a) Either:

(1) Adopt and follow minimum good laboratory practices which must, at a minimum, satisfy the *OECD Principles of Good Laboratory Practice and Compliance Monitoring* published by the Organisation for Economic Co-operation and Development; or

(2) Become certified by the International Organization for Standardization and agree to have the inspections and reports of the International Organization for Standardization made available to the Division.

(b) Maintain internal standard operating procedures.

(c) Maintain a quality control and quality assurance program.

~~[4.]~~ *5.* The Division or an independent third-party authorized by the Division may conduct an inspection of the practices, procedures and programs adopted, followed and maintained pursuant to subsection ~~[3]~~ *4* and inspect all records of the independent testing laboratory that are related to the inspection.

~~[5.]~~ *6.* The Division hereby adopts by reference:

(a) The *Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control* monograph published by the American Herbal Pharmacopoeia. A copy of that publication may be obtained from the American Herbal Pharmacopoeia, P.O. Box 66809, Scotts Valley, California 95067, or at the Internet address **http://www.herbal-ahp.org/**, for the price of $44.95.

(b) The *OECD Principles of Good Laboratory Practice and Compliance Monitoring* published by the Organisation for Economic Co-operation and Development. A copy of that publication may be obtained free of charge from the Organisation for Economic Co-operation and Development at the Internet address **http://www.oecd.org/env/ehs/testing/oecdseriesonprinciplesofgoodlaboratorypracticeglpandcompliancemonitoring.htm**.

Sec. 63. NAC 453A.654 is hereby amended to read as follows:

453A.654 1. Each independent testing laboratory must use the general body of required quality assurance tests for usable marijuana, ***as received, concentrated cannabis,*** marijuana-infused products ~~[, extracts of marijuana]~~ and edible marijuana products set forth in this section. Such tests may include moisture content, potency analysis, foreign matter inspection, microbial screening, pesticide and other chemical residue and metals screening and residual solvents levels. An independent testing laboratory may request additional sample material ~~[in excess of the amounts listed in the table set forth in this section]~~ for the purposes of completing required quality assurance tests. An independent testing laboratory may retrieve samples from the premises of another medical marijuana establishment and transport the samples directly to the laboratory.

2. The tests required pursuant to subsection 1 ~~[and the sample size of products required for the required testing of each type of marijuana or marijuana product]~~ by an independent testing laboratory are as follows:

Product	Tests Required	~~[Sample Size Needed to Complete all Tests]~~

Product	Tests Required	~~[Sample Size Needed to Complete all Tests]~~
Usable marijuana, ***as received, excluding wet marijuana***	1. Moisture content 2. Potency analysis 3. Terpene analysis 4. Foreign matter inspection 5. Microbial screening 6. Mycotoxin screening 7. Heavy metal screening 8. Pesticide residue analysis ***9. Herbicide screening*** ***10. Growth regulator screening***	~~[12 grams or less]~~

Product	Tests Required	~~[Sample Size Needed to Complete all Tests]~~
Wet marijuana, as received, which is destined for extraction	***1. Potency analysis*** ***2. Terpene analysis*** ***3. Foreign matter inspection*** ***4. Microbial screening*** ***5. Mycotoxin screening*** ***6. Heavy metal screening*** ***7. Pesticide residue analysis*** ***8. Herbicide screening*** ***9. Growth regulator screening***	
Extract of marijuana (nonsolvent) like kief, hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources, ***including concentrated cannabis extracted with CO_2***	1. Potency analysis 2. Foreign matter inspection 3. Microbial screening 4. Terpene analysis	~~[7 grams or less]~~

Product	Tests Required	~~[Sample Size Needed to Complete all Tests]~~
Extract of marijuana (solvent-based) made with ~~[a CO_2 extractor]~~ ***any approved solvent, including concentrated cannabis extracted by means other than with CO_2***	1. Potency analysis 2. Terpene analysis 3. ***Foreign matter inspection*** ***4.*** Microbial screening ***5. Residual solvent test***	~~[2 grams or less~~
~~Extract of marijuana (solvent-based) made using n-butane, isobutane, propane, heptane, or other solvents or gases approved by the Division of at least 99 percent purity~~	~~1. Potency analysis~~ ~~2. Terpene analysis~~ ~~3. Residual solvent test~~ ~~4. Microbial screening (only if using marijuana that failed the initial test)~~	~~2 grams or less~~
~~Extract of marijuana made with food grade ethanol~~	~~1. Potency analysis~~ ~~2. Terpene analysis~~ ~~3. Microbial screening (only if using marijuana that failed the initial test)~~	~~2 grams or less~~

Product	Tests Required	~~[Sample Size Needed to Complete all Tests]~~
~~Extract of marijuana made with food grade glycerin or propylene glycol~~	~~1. Potency analysis~~ ~~2. Terpene analysis~~ ~~3. Microbial screening (only if using marijuana that failed the initial test)~~	~~20 grams or less]~~
Edible marijuana-infused product ***, including a product which contains concentrated cannabis***	1. Potency analysis 2. Terpene analysis 3. ***Foreign matter inspection*** ***4.*** Microbial screening	~~[1 unit]~~
Liquid marijuana-infused product, including, without limitation, soda or tonic ***, including a product which contains concentrated cannabis***	1. Potency analysis 2. Terpene analysis 3. ***Foreign matter inspection*** ***4.*** Microbial screening	~~[1 unit]~~
Topical marijuana-infused product ***, including a product which contains concentrated cannabis***	***1.*** Potency analysis ***2. Terpene analysis***	~~[1 unit]~~

3. A medical marijuana establishment shall not submit wet marijuana to an independent testing laboratory for testing unless the wet marijuana is destined for extraction.

4. As used in this section, "as received" means the unaltered state in which a sample was collected, without any processing or conditioning, which accounts for all mass, including moisture content.

Sec. 64. NAC 453A.656 is hereby amended to read as follows:

453A.656 An independent testing laboratory shall not handle, test or analyze marijuana unless:

1. The laboratory has been issued a medical marijuana establishment registration certificate;

2. The laboratory is independent from all other persons involved in the medical marijuana industry in Nevada; and

3. No person with a direct or indirect interest in the laboratory has a direct or indirect financial interest in:

(a) A medical marijuana dispensary;

(b) A facility for the production of edible marijuana products or marijuana-infused products;

(c) A cultivation facility;

(d) A physician who provides or has provided written documentation for the issuance of registry identification cards ~~[,]~~ *or letters of approval;* or

(e) Any other entity that may benefit from the cultivation, manufacture, dispensing, sale, purchase or use of marijuana or marijuana products.

Sec. 65. NAC 453A.658 is hereby amended to read as follows:

453A.658 1. Immediately before packaging:

(a) Raw marijuana for sale to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or another cultivation facility, a cultivation facility shall segregate all harvested marijuana into homogenized ~~[batches]~~ ***lots of flower and trim, respectively,*** and ~~[select a random sample from each batch for testing by]~~ ***allow*** an independent testing laboratory ~~[.]~~ ***to select a representative sample for testing from each lot the cultivation facility has segregated.*** The independent testing laboratory ***which performs the test*** must collect the samples . ~~[unless the cultivation facility designates a person responsible for segregating all harvested marijuana into homogenized batches pursuant to this subsection in accordance with the standards set forth by the laboratory and the cultivation facility to ensure a random, homogenized sample. If the cultivation facility designates a person to segregate homogenized batches, the cultivation facility must file an attestation with the Division as to the manner in which each random, homogenized sample is selected for testing.]~~

(b) ~~[Edible]~~ ***Concentrated cannabis, edible*** marijuana products or marijuana-infused products, a facility for the production of edible marijuana products or marijuana-infused products shall ***allow an independent testing laboratory to*** select a random sample from each ~~[batch]~~ ***lot or production run*** for testing by ~~[an]~~ ***the*** independent testing laboratory. The independent testing laboratory ***performing the testing*** must collect the samples . ~~[unless the facility for the production of edible marijuana products or marijuana infused products designates a person responsible for identifying the samples in accordance with the standards set forth by the laboratory and the facility for the production of edible marijuana products or marijuana infused products. If the facility for the production of edible marijuana products or marijuana infused~~

~~products designates a person to collect the samples, the facility shall file an attestation with the Division as to the manner in which each sample is selected for testing.]~~

2. An independent testing laboratory that receives a sample pursuant to this section shall test the sample ***as provided in NAC 453A.654.*** ~~[for cannabinoids, terpenoids, microbial contaminants, mycotoxins, heavy metals and pesticide chemical residue, residual solvents levels and for purposes of conducting an active ingredient analysis, as specified in the policy manual for independent testing laboratories created by the Division.]~~

3. From the time that a ~~[batch]~~ ***lot or production run*** has been homogenized for sample testing and eventual packaging and sale to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or, if applicable, another cultivation facility until the independent testing laboratory provides the results from its tests and analysis, the facility which provided the sample shall segregate and withhold from use the entire ~~[batch,]~~ ***lot or production run,*** except the samples that have been removed ***by the independent testing laboratory*** for testing. During this period of segregation, the facility which provided the sample shall maintain the ~~[batch]~~ ***lot or production run*** in a secure, cool and dry location so as to prevent the marijuana from becoming contaminated or losing its efficacy. Under no circumstances shall the facility which provided the sample sell the marijuana or edible marijuana products or marijuana-infused products, as applicable, to a medical marijuana dispensary, facility for the production of edible marijuana products or marijuana-infused products or, if applicable, another cultivation facility before the time that the independent testing laboratory has completed its testing and analysis and provided those results, in writing, to the facility which provided the sample.

4. An independent testing laboratory shall immediately return or dispose of any sample received pursuant to this section upon the completion of any testing, use or research. If an independent testing laboratory disposes of a sample received pursuant to this section, the laboratory shall document the disposal of the sample using its inventory control system pursuant to NRS 453A.356 and NAC 453A.414 ~~[.]~~ ***and section 11 of this regulation.***

5. Except as otherwise provided in NAC 453A.672, if a sample provided to an independent testing laboratory pursuant to this section does not pass the ~~[microbial, mycotoxin, heavy metal, pesticide chemical residue or residual solvents levels test based on the standards of the Division,]~~ ***testing required by NAC 453A.654,*** the facility which provided the sample shall dispose of the entire ~~[batch]~~ ***lot or production run*** from which the sample was taken and document the disposal of the sample using its inventory control system pursuant to NRS 453A.356 and NAC 453A.414 ~~[.]~~ ***and section 11 of this regulation.***

6. For the purposes of the microbial test ~~[,]~~ ***described in NAC 453A.654,*** a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it satisfies the standards set forth in Table 9 of the *Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control* monograph adopted by reference pursuant to NAC 453A.652.

7. For the purposes of the mycotoxin test ~~[,]~~ ***described in NAC 453A.654,*** a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it meets the following standards:

Test	Specification
The total of aflatoxin B1,	

aflatoxin B2, aflatoxin G1 and

aflatoxin G2..... <20 uG/KG of Substance

Ochratoxin A..... <20 uG/KG of Substance

8. For the purposes of the heavy metal test ~~[,]~~ ***described in NAC 453A.654,*** a sample of marijuana shall be deemed to have passed if it meets the following standards ~~[:]~~ ***established on the basis of 5 grams of dried marijuana as the daily dose:***

Metal	Natural Health Products Acceptable limits ~~[uG/KG]~~ ***in parts per million***
Arsenic	< ~~[0.14]~~ *2*
Cadmium	< ~~[0.09]~~ *0.82*
Lead	< ~~[0.29]~~ *1.2*
Mercury	< ~~[0.29]~~ *0.4*

9. ~~[The Independent Laboratory Advisory Committee established pursuant to NAC 453A.666 shall establish the list of pesticides approved for use in the cultivation and production of marijuana, edible marijuana products and marijuana infused products to be sold or used in this State. For the purposes of the pesticide chemical residue test, a sample provided to an independent testing laboratory pursuant to this section shall be deemed to have passed if it satisfies the most stringent acceptable standard for an approved pesticide chemical residue in any food item as set forth in Subpart C of 40 C.F.R. Part 180.~~

~~10.~~] If a sample provided to an independent testing laboratory pursuant to this section passes the ~~[microbial, mycotoxin, heavy metal, pesticide chemical residue and residual solvents levels tests,]~~ ***testing required by NAC 453A.654,*** the independent testing laboratory shall release the entire ~~[batch]~~ ***lot or production run*** for immediate manufacturing, packaging and labeling for sale to a medical marijuana dispensary, a facility for the production of edible marijuana products or marijuana-infused products or, if applicable, another cultivation facility.

~~[11.]~~ ***10.*** An independent testing laboratory shall file with the Division, ***in a manner prescribed by the Division,*** an electronic copy of ~~[each]~~ ***all*** laboratory test ~~[result for any batch that does not pass the microbial, mycotoxin, heavy metal, pesticide chemical residue or residual solvents levels test]~~ ***results, regardless of the outcome of the test, including all testing required by NAC 453A.654,*** at the same time that it transmits those results to the facility which provided the sample. In addition, the independent testing laboratory shall maintain the laboratory test results and make them available to the Division upon request.

~~[12.]~~ ***11.*** The Division will take immediate disciplinary action against any medical marijuana establishment which fails to comply with the provisions of this section or falsifies records related to this section, including, without limitation, revoking the medical marijuana establishment registration certificate of the medical marijuana establishment.

12. An independent testing laboratory may subcontract its testing of marijuana, edible marijuana products and marijuana-infused products only to another independent testing laboratory.

Sec. 66. NAC 453A.666 is hereby amended to read as follows:

453A.666 1. The Division will establish an Independent Laboratory Advisory Committee comprised of members which ensure that the membership of the Advisory Committee is representative of the independent testing laboratories and other medical marijuana establishments in this State.

2. The Advisory Committee shall:

(a) Provide recommendations to the Division regarding the testing of medical marijuana; ***and***

(b) Make recommendations to the Division for any changes to this chapter relating to the testing of medical marijuana . ~~[; and~~

~~(c) Assist the Division in creating and updating a policy manual to be used by the Division to guide the testing of edible marijuana products and marijuana-infused products by independent testing laboratories.]~~

Sec. 67. NAC 453A.668 is hereby amended to read as follows:

453A.668 1. Upon the request of the Division, a cultivation facility and a facility for the production of edible marijuana products or marijuana-infused products must provide an independent testing laboratory designated by the Division with a sample of marijuana or a marijuana product in ~~[the]~~ ***an*** amount ~~[listed in NAC 453A.654]~~ ***determined by the independent testing laboratory to be sufficient*** for random quality assurance compliance checks in a secure manner such that the laboratory can confirm that it has received and is testing the correct sample.

2. The independent testing laboratory that receives a sample pursuant to subsection 1 shall, as directed by the Division:

(a) Screen the sample for pesticides, chemical residues , ***herbicides, growth regulators*** and unsafe levels of metals;

(b) Perform any other quality assurance test deemed necessary by the Division; and

(c) Report its results to the Division.

3. The cultivation facility or facility for the production of edible marijuana products or marijuana-infused products is responsible for all costs involved in screening or testing performed pursuant to this section.

Sec. 68. NAC 453A.672 is hereby amended to read as follows:

453A.672 1. If a lot of usable marijuana fails a quality assurance test, any marijuana plant trim, leaf and other usable material from the same plants automatically fails the quality assurance test. Upon approval of the Division, a lot of marijuana that fails a ~~[quality assurance test]~~ ***microbial screening*** may be used to make a CO_2 or solvent-based extract. After processing, the CO_2 or solvent-based extract must pass all required quality assurance tests.

2. ***If a sample from a facility for the production of edible marijuana products or marijuana-infused products fails a quality assurance test, the entire production run from which the sample was taken automatically fails the quality assurance test.***

3. At the request of a cultivation facility or a facility for the production of edible marijuana products or marijuana-infused products, the Division may, on a case-by-case basis, authorize a retest to validate the results of a failed test. The cultivation facility or facility for the production of edible marijuana products or marijuana-infused products is responsible for all costs involved in a retest performed pursuant to this section.

4. A cultivation facility or a facility for the production of edible marijuana products or marijuana-infused products may not request a retest pursuant to this section unless, at the time samples are initially taken for testing, three samples are collected at the same time by an

independent testing laboratory using tamper-resistant bags. One of the samples must be taken by the independent testing laboratory for testing and the facility must place the other two samples in a secure quarantine storage area at the facility for further retesting by a secondary independent testing laboratory and the State Department of Agriculture.

5. A cultivation facility or a facility for the production of edible marijuana products or marijuana-infused products shall submit a request for retesting to the Division in writing and on a form designated by the Division.

6. If the Division grants a request for retesting, the Division will select the independent testing laboratory that will perform the retest.

7. Except as otherwise provided in this subsection, a cultivation facility or a facility for the production of edible marijuana products or marijuana-infused products may submit a request for retesting of not more than 50 lots each calendar year. For any subsequent failure of a quality assurance test in a calendar year, the facility shall destroy the lot or the entire production run, as applicable. A lot which only fails a quality assurance test for moisture content must not be counted for the purpose of this subsection.

8. A failed quality assurance test for pesticide residue must be retested by the State Department of Agriculture.

9. If a sample passes the same quality assurance test upon retesting, the cultivation facility or facility for the production of edible marijuana products or marijuana-infused products need not destroy the lot or production run and may sell the lot or production run to a cultivation facility, medical marijuana dispensary or facility for the production of edible marijuana products or marijuana-infused products, as applicable.

10. If a sample fails the same quality assurance test upon retesting, the Division denies a request for retesting or a cultivation facility or a facility for the production of edible marijuana products or marijuana-infused products does not request retesting after a sample fails a quality assurance test, the facility shall destroy the entire lot or production run from which the sample was taken.

Sec. 69. NAC 453A.704 is hereby amended to read as follows:

453A.704 For the purposes of subparagraph (3) of paragraph (b) of subsection 3 of NRS 453A.200, the maximum allowable quantity of edible marijuana products and marijuana-infused products is an amount that ~~[is]~~ *:*

1. Is equivalent to 2 1/2 ounces of usable marijuana ~~[.]~~ *; and*

2. Does not exceed 10,000 milligrams of THC per patient per 14-day period.

Sec. 70. NAC 453A.712 is hereby amended to read as follows:

453A.712 Except as otherwise provided in NRS 239.0115 ~~[,]~~ *and NAC 453A.714,* any information received by the Division related to the security of a medical marijuana establishment is confidential and must not be disclosed by the Division.

Sec. 71. NAC 453A.714 is hereby amended to read as follows:

453A.714 1. Except as otherwise provided in this section and NRS 239.0115, the Division will and any designee of the Division shall maintain the confidentiality of and shall not disclose the name or any other identifying information of any person who facilitates or delivers services *or has applied for or to whom the Division or its designee has issued a registry identification card or letter of approval* pursuant to this chapter or chapter 453A of NRS. Except as otherwise provided in NRS 239.0115, the name and any other identifying information of any person who

facilitates or delivers services pursuant to this chapter or chapter 453A of NRS are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.

2. Notwithstanding the provisions of subsection 1, the Division or its designee may release the name and other identifying information of a person who facilitates or delivers services ***or to whom the Division or its designee has issued a registry identification card or letter of approval*** pursuant to this chapter or chapter 453A of NRS to:

(a) Authorized employees of the Division or its designee as necessary to perform official duties of the Division; and

(b) Authorized employees of state and local law enforcement agencies only as necessary to verify that a person is lawfully facilitating or delivering services pursuant to this chapter or chapter 453A of NRS.

3. Nothing in this section prohibits the Division from providing a local government with a copy of all information and documentation provided as part of an application to operate a medical marijuana establishment upon the request of the local government ~~[.]~~ ***and with the prior consent of the applicant.***

Sec. 72. NAC 453A.718 is hereby amended to read as follows:

453A.718 1. The Division will maintain a log of each person who is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200.

2. The log must indicate, for each person:

(a) Whether the person is authorized to cultivate, grow or produce marijuana and whether the person is authorized to engage in two or more of those activities; and

(b) Whether the person is authorized to do so because:

(1) The person who holds the registry identification card ~~[or his or her]~~ ***, including, without limitation, a*** designated primary caregiver, ~~[if any,]~~ was cultivating, growing or producing marijuana in accordance with chapter 453A of NRS on or before July 1, 2013;

(2) All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card or ***letter of approval and*** his or her designated primary caregiver, if any, closed or were unable to supply the quantity or strain of marijuana necessary for the medical use of the person ***who holds the registry identification card or letter of approval*** to treat his or her specific medical condition;

(3) As a result of illness or lack of transportation, the person who holds the registry identification card ***or letter of approval*** and his or her designated primary caregiver, if any, are unable reasonably to travel to a medical marijuana dispensary; or

(4) No medical marijuana dispensary was operating within 25 miles of the residence of the person who holds the registry identification card ***or letter of approval*** at the time the person first applied for his or her registry identification card ~~[.]~~ ***or letter of approval.***

3. The Division will ensure that the contents of the log are available for verification by law enforcement personnel 24 hours a day.

Sec. 73. NAC 453A.720 is hereby amended to read as follows:

453A.720 If a patient who holds a valid registry identification card or ***letter of approval and*** his or her designated primary caregiver, if any, selects one medical marijuana dispensary to serve as the designated medical marijuana dispensary of the patient pursuant to NRS 453A.366, the Division will communicate the designation to the designated medical marijuana dispensary.

Sec. 74. Notwithstanding the provisions of subsection 2 of section 28 of this regulation to the contrary, the Division of Public and Behavioral Health of the Department of Health and Human Services will prorate a renewal fee which, pursuant to NAC 453A.352, as amended by section 28 of this regulation, is due on or after October 1, 2016, and on or before October 15, 2016, on the basis of the date on which the medical marijuana establishment paid the fee for the issuance of its medical marijuana establishment registration certificate.

DIVISION OF PUBLIC AND BEHAVIORAL HEALTH

AUGUST 31, 2016

LCB FILE No. R148-15
Informational statement per NRS 233B.066

1. A clear and concise explanation of the need for the regulations.

The proposed regulations are necessary to carry out the requirements of Senate Bill (SB) 276, Senate Bill (SB) 447, and Assembly Bill (AB) 70. Further, they are necessary to address gaps and clarify language in the existing regulatory structure.

The proposed regulations amend and modify existing language in order to clarify existing regulatory language regarding lab testing sample procurement, lab result requirements, retest protocols, definitions of the terms "batch" and "lot," and labeling requirements. New definitions for "Production Run", "Potential Total THC", and "Foreign Matter" were added to the proposed regulations. Additionally, the regulations address serving size for edible and marijuana-infused products, establish limits on edible and infused products equivalent to the statutory limit of 2½ ounces of flower permitted in 14-day period, correct heavy metal testing limits in NAC 453A.658(8), and add language to allow Research and Development (R&D) efforts to occur in the industry.

2. A description of how public comment was solicited, a summary of the public response, and an explanation how other interested persons may obtain a copy of the summary.

a) **How Public Comment was solicited:**
   i. A Small Business Impact Questionnaire was sent through the program's Listserv to 2,884 Medical Marijuana Establishments and others.
   ii. An Industry Stakeholder meeting was held in Las Vegas on Friday, January 15, 2016 in Las Vegas at the Rawson-Neal Psychiatric Hospital, 1650 Community College Dr. Room B-193.
   iii. A Public Workshop was conducted on Thursday, February 4, 2016 via videoconference, in Carson City at the Division of Public and Behavioral health, 4150 Technology Way, Room 303 and in Las Vegas at the Rawson-Neal Psychiatric Hospital, 1650 Community College Dr. Room B-193.
   iv. A Public Hearing was conducted on Monday, August 29, 2016 via videoconference, in Carson City at the Division of Public and Behavioral health, 4150 Technology Way, Room 303 and in Las Vegas at the Rawson-Neal Psychiatric Hospital, 1650 Community College Dr. Room B-193.

b) **Summary of the Public Response:**

Marla McDade Williams, MME Consultant for two establishments, one being Philip Peckman, Nevada Cannabis Coalition

Marla stated overall support of the regulations with exception to a few sections. She requested pulling out the sections and issuing an additional "R" number or wait 30 days to allow additional time due to the regulation revisions not being posted for the 30 day requirement. Sections to be referenced include 20, 27, 28, 30, 32, 38, and 74. Marla

states Section 32 has confusion on verbiage related to how an entity that intends to be an independent contractor and work for multiple establishments will be treated. Section 20 limits a caretaker to no more than 2 patients and believes it is problematic and sees no reason for it. Declaring a provisional certificate is the same as a registration certificate. Section 28, requesting to change the timeframe for submission of renewals and states monies will be received in a prior fiscal year rather than the fiscal year it is intended for. Allowing the division to establish an hourly rate to bill MMEs and moving the language that does not relate. Section 30, identified only for relationship to section 32. Section 38, suggests a grandfather clause or time period of 1-2 years for MMEs to become compliant. Section 74, identified only for relationship to the implementation of these regulations.

Dr. Chao-Hsiung Tung, G3 Labs
Referenced section 15(3): requested for "wet weight" to be defined using a percent or standard amount. Section 63(2): requests to establish a guideline for minimum sample sizes of quality assurance test samples.

Will Adler, Nevada Medical Marijuana Association
Mirrored comments from Tung related to section 15 and defining "wet weight". Additionally, mirrored comments from Marla McDade Williams, related to section 32 requesting for a change to not require independent contractors to have an individual card per MME that they will be working for.

Cindy Brown,
Ms. Brown suggested changes to Section 20 that would require NRS453A.200 (3) (a) to be changed to read 5oz. or some other suitable verbiage. Section 30, suggested the customer sign-in sheets should have removable stickers to protect the privacy of patients as other patients are able to see who has signed in. Section 72, stated there are two exceptions that are conflicting, a patient is allowed to grow if they had a card before July, 2013 and if there was no dispensary operating at the time the patient applied for their card. Clarification for the form is requested. Regarding the separation of the law between businesses and patients, she feels there is no clarity and is requesting for some, example provided was the verbiage "collective possess for a caretaker/patient"

Jason Sturtsman, HOPE
Mr. Sturtsman stated he disagrees with the production run of concentrated cannabis being 2.2lbs and believes it should be 5lbs, because it will financially impact cultivation, production, and dispensaries.

Ben Chu, MM Labs on behalf of NBCLA,
Mr. Chu mirrored comments from Dr. Tung relating to section 15 and defining "wet weight". He also comments from Tung related to section 63 stating all of this is for patient safety. It is an attempt to get more standardized testing and consistent result among all laboratories. Additionally, section 27 referring to agent cards for independent contractors and laboratories exclusion. He stated laboratories do utilize technical staffing

organizations that provide staff for in a laboratory and is requesting that laboratories be included on the list for requiring agent cards.

Ellen Spears,
Ms. Spears stated she believes the manufacturing of edibles has been overlooked in the regulations. The minimal requirements within NAC 453A.426-624 is setting food manufacturers up for failure with regards to consumer health and safety. She does not understand the reasoning of why they are not being held up to the same standards as other food manufacturers in the state of Nevada. She recommends to amend the verbiage and include NAC or NRS 446 as a requirement providing three options to verbiage changes:

1. Food manufactures shall follow or use as a current guide, state or local regulations
2. Operation procedures to be validated by a processing authority or
3. Have written food manufacturing HACCP plans as all other food manufacturers do with the US

Michael Delee,
Mr. Delee mirrored previous comments from his client Adler and McDade Williams. Stated a letter was submitted back in April, a response was received, requesting for it to be entered into the record today.

Mark Clemmer, Nevada Resident,
Mr. Clemmer thanked for the opportunity to speak and making the documents available to the public. He stated he was unable to understand some of the verbiage in the NAC, specifically related to the infused products. Many others face the same issue and may not have the ability to find the meaning. He is requesting, on behalf of himself and many others, for the verbiage in the future to be kept in simple terms.

Nick Puliz, THC Nevada
Mr. Puliz suggested revising section 68 to include heat and pressure as an additional form of extraction. Clarification for section 68 was requested, asking if there is a limit to the number of times you can request approval from the state to extract. DPBH Staff, responded "no limit".

Mona Lisa Samuelson, Nevada Resident representing medical marijuana patients
Ms. Samuelson referenced page 92, Section 63(3) stating patients require fresh and live plant matter and believes that if the product passes testing then it should be allowed to be sold directly through the dispensary. Referenced page 96, Section 65(8) stating she believes the 5 grams amount derives from recreational statistics and this is comparable to a daily amount for a medical marijuana patient. It was suggested to incorporate into the NAC, verbiage that would address the issue of Medical Marijuana being looked at as an illegal drug rather than medicine. Pointing out specifically this effects patients when it comes to other state agencies such as CPS or housing.

Dan Schinhofen, Nye County Commissioner, Vice Chair liaison to medical marijuana issues and patient
Mr. Schinhofen commented on his concerns on the sale and moving of medical marijuana establishments, he encourages the division to continuing working with the local municipalities.

Rianna Durett, on behalf of the Nevada Dispensary Association
Ms. Durett stated the organization supports the regulations as written and understands there are revisions that could be written but the process has been prolonged and as a whole the major concerns have been addressed, therefore, believes the regulations should move forward. She highlighted multiple points of concerns that were addressed within the regulations, pointing out while the division was amending regulations, there were other requests from the industry being fulfilled such as opening the patient card office in Las Vegas and implementing the online patient card application access. It was noted they do not want the regulations held up but if any portion were to be held up they request to be contacted.

Second Public Comment:

Marla McDade Williams
Ms. McDade Williams stated she believes relying on an errata that is a written document, when the Legislative Counsel Bureau reviews them, there is no guarantee they will come back the same. She believes it would had been appropriate to allow additional time. As it relates to the independent contractor issue, she agrees with Westom that it is an application from an independent contractor, and envisioned the independent contractor would be responsible for his employees. The regulations are currently written where the MME would be responsible.

Mark Clemmer
Mr. Clemmer reiterated on his previous comment and again requested in the future to keep verbiage as simple as possible. Clarification was asked as to if these currently revised regulations had been approved. Mr. Clemmer stated he still did not understand what the regulations meant. Ms. Phinney requested for Mr. Clemmer work with Mr. Gilbert (Steve Gilbert), stating he will be able to provide you with all the information you need in an understandable manner.

Eli Scislowicz, Cannabinoid Wellness
Mr. Scislowicz stated he has concerns as he did not notice changes to caregivers as related to being a patient and caretaker. He requested for this to be something looked at in the future. Additionally, he questioned if there was current guideline as to how a patient may transport there medical marijuana for the purpose of testing.

Valorie Godino, third party person
Ms. Godino questioned if there is a way for her to know the way the state is interpreting all these regulations. What is the state's interpretation regarding multiple agent cards

needed by a Medical Marijuana Establishment employee? Can independent contractors use the agent card a different Medical Marijuana Establishment? One badge should be sufficient for that contracted employee to use at various Medical Marijuana Establishment.

Mona Lisa Samuelson
Ms. Samuelson requested clarification for section 20, page 13. Does the working mean that you can be a caregiver to only one child or only to one other patient?

Tara Lynn, NV Cann Labs and Caregiver
Ms. Lynn stated she has a terminally ill husband and became a patient in order to have a better understanding of medical marijuana. Now that she is a patient she cannot be his caretaker. She asked the division if this is correct. Ms. Phinney requested for her to work with Mr. Gilbert for clarification.

Carmel Salazar, CHC
Mr. Salazar requested consideration; Las Vegas is a place where many people come to enjoy the culinary and would like to request there be some form of guideline to follow the current regulations. Ms. Phinney stated it is her understanding that the MME regulations are firmer then the food regulations. She could requests for staff to provide guidelines.

Shanna Perry
Ms. Perry commented on the value of medical marijuana and its cost. She would like to see proper state regulations regarding allocating funds received from taxing Medical Marijuana being used to offset the costs to patients.

Eli Scislowicz, NuLeaf Incline Dispensary
Mr. Scisowicz commented on the current tracking system in the Medical Marijuana portal. Scislowicz questioned how to gain approval from the state to sell CBD products that do not contain THC? Westom requested they begin inventorying their stock and comparing to the regulations. The division will send out notification of the proper protocol.

Patrice Sowers, HOPE
Ms. Sowers requested clarification on the food requirements for their kitchen and if there are any additional requirements as a result of the regulations passing. Ms. Phinney directed the question to Westom for an answer. Westom stated Kara Cronkhite would be the person to reach out to after the meeting.

c) **How to obtain a copy of the summary:**
Any persons interested in obtaining a copy of the summary may email, call, or mail in a request to Marilyn Gray at the Division of Public and Behavioral Health, Medical Marijuana Program, 4150 Technology Way, Suite 106, Carson City, NV 89706, (775) 684-3487, medicalmarijuana@health.nv.gov. A copy of the summary can also be viewed and downloaded on the website: http://dpbh.nv.gov/Reg/MME/MME_-_Home/

3. Number of persons in attendance

a) **Attended the hearing;**
   i. Carson City: 14 people signed in
   ii. Las Vegas: 54 people signed in
b) **Testified at each hearing; and**
   i. Carson City: 3 people provided testimony
   ii. Las Vegas: 18 people provided testimony
c) **Submitted to the agency written statements.**
   Two written statement were submitted to the agency.

4. If provided, the name, telephone number, business address, business telephone number, e-mail address and name of entity represented for individuals described in Item 3.

The sign in sheets from the meeting are included with this statement as Attachment 1.

5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Pursuant to NRS 233B.0608 (2) (a), the Division of Public and Behavioral Health requested input from stakeholders, owners, and officers that are likely to be affected by the proposed regulation. A Small Business Impact Questionnaire (SBIQ) and a copy of the proposed regulation were sent to all Medical Marijuana Establishments on December 18, 2015 via the program's Listserv email distribution lists.

The questions on the SBIQ were:

1) How many employees are currently employed by your business?
2) Will a specific regulation have an adverse economic effect upon your business?
3) Will the regulation(s) have any beneficial effect upon your business?
4) Do you anticipate any indirect adverse effects upon your business?
5) Do you anticipate any indirect beneficial effects upon your business?

Summary of Response:

Summary of Comments Received

16 Responses were received out of the 2,884 SBIQs send out (281 of those to MMEs)
Small Business Impact Questionnaires distributed;

- **7 Laboratories**
- **4 Cultivation/Production,**
- **2 Production**
- **1 Dispensaries.**

2 responses did not directly respond to the SBIQ

Will a specific regulation have an adverse economic effect upon your business?	**Will the regulation(s) have any beneficial effect upon your business?**	**Do you anticipate any indirect adverse effects upon your business?**	**Do you anticipate any indirect beneficial effects upon your business?**
12 – Yes 1 – Not Sure 1 – No	2 – Yes 1 – Not Sure 11 – No	11 – Yes 3 – No	3 – Yes 11 - No
Yes, **Section 6. "Production Run" defined NRS 453A., NRS 453A.370** "Allowing a production run size to be "of any quantity" has a significant effect on the number of samples we expect to see from a producer, (Example given, see PDF from MM Lab Inc.). The original regulations stated that every 5 lbs. of flower and 15 lbs. of leaf/trim had to be tested, and business models were designed based on that income. While we understand that it makes much more sense to fully test the products after extraction instead of plants destined for extraction, the unlimited production size run dramatically reduces the number of potential samples and will have a significant impact on the expected income and the ability to cover operating costs and capital investment, (Example given, see PDF file from MM Lab Inc.). Laboratory operating costs are	No	Yes, **Section 52, #7** Laboratories have repeated DPBH to officially declare a daily dose to set the metal content limits in terms of concentration. The proposed regulations still list the limits as ug/daily dose. Without a daily dose defined, the labs have no basis to pass or fail a product based on what they measure (concentration). With it defined as a daily dose, that is patient-dependent, not product dependent. The labs cannot be expected to define this for every customer that could purchase the product. While it was discussed at an ILAC meeting to set the dosage to 5	No, "For the most part, it clarifies the uncertainty that has been out there on some items, but some areas still need clarification."

extremely high from salaries for highly qualified employees, very high capital investment, and very expensive operating supplies. The potential loss of income from these changes may drive labs out of business. **Section 33: NAC 453A.414, 7: Effective July 1, 2016, a MME shall utilize the Seed of Sale Inventory Program….** "The Seed of Sale Inventory Program contractor's user fees have not been established, and so the direct financial impact is unknown. However, it was noted in the RFP for this system that the state declared they will not pay for the product, and the cost will be covered by fees to the MMEs. In addition, laboratories have been spending significant amounts of money implementing their own Laboratory Information Management Systems, and forcing an interface to the Seed of Sale Inventory System with no explanation of the requirements or the interface may require laboratories to spend thousands of dollars in modifications to comply. **Section 50: NAC 453A.654** "The new table does not list residual solvents for any of the extracts. If this is not a mistake, then this will impact laboratories through loss of income since this was in the original regulations. Exact amount lost depends on the production batch size determined in Section 6. Using the same calculations as above ($100/test, 20 vs. 1 test, 5 days/week, 52 weeks), it could be $494,000/year. With the additional testing required on the extractions, the minimum sample size should be 4 grams or 1%, whichever is		grams, this has not been implemented anywhere as a written policy. This leaves the labs open to potential lawsuits if they use the 5 grams/day dosage to pass a sample, and the state will not back them up. For reference, Washington lists the limits for metals at a daily dose of 5 grams. The passing limits (metal, pesticides, etc.) for extractions need to be defined. Are they the same as for raw cannabis or should it take into account that patients should be taking less of an extract and be adjusted for that? Without clear guidance, the labs have no basis to pass or fail these products."	

more. Otherwise, the labs will not have enough material to perform all tests to the required degree of accuracy. **Section 61: Research and Development of Usable Marijuana** "While the proposed regulations allow for R&D work on raw cannabis, it does not allow for R&D work on extracts or other infused products. A producer should be able to create test products and allow the labs to guide them on potency and homogeneity. Not allowing the labs to support this in a cost effective manner (i.e., limited testing) will result in loss of income to the labs. Not allowing patients to directly submit samples to the laboratories for testing represents a loss of business. We are currently turning away requests from patients at least once a week. Patients are interested in knowing the profiles of their home-grown products to be able to compare against what is available in the marketplace and what they will need to purchase when they are no longer allowed to grow their own product."			
Yes; It is impossible to predict the extent of the negative financial impact given the current status of the analytical science of cannabis and the costs associated with the development of the, as of yet nonexistent, proposed tests and software implementation.	No	Yes, I believe there will be significant adverse negative impact on the medicinal cannabis industry in Nevada. I believe, for the reasons outlined in the attached letter, the negative adverse impact will be significant although I'm unable to predict how severe that adverse financial impact will be.	No

Yes; Section 6: "Production Run" Allowing a production run size to be "of a quantity" has a significant effect on the number of samples we expect to see from a producer. The original regulations stated that every 5 lbs of flower and 15 lbs of leaf/trim had to be tested, and business models were designed based on that income. If a producer were to process 100 lbs of flower in a two week period to make about 10-20 lbs of an extract, this used to represent 20 samples of flower. Now, it represents 1 sample. If testing for extracts is around $840/sample, this represents a loss of 19 x $840 = $15,960/bi-weekly of income and $414,960 annually. Section 33: "Seed of Sale Inventory" The Seed of Sale Inventory Program contractor's user fees have not been established. However, it was noted in the RFP for this system that the state declared they will not pay for any of this and the cost will be covered by fees to the MMEs. The Seed of Sale Inventory System may require the laboratories to spend thousands of dollars in modifications to comply.	No	Yes; Section 52, (7) Despite repeated requests to DPBH to officially declare a daily dose, there is still nothing defined to set a metals concentration. While it was discussed at an ILAC meeting to set the dosage to 5 grams/day, this has not been implemented anywhere as a written policy.	No
Yes; Section 6, Same Comments as RSR Analytical Laboratory; math is a little different. $400/sample, loss of 19 x $700 = $13,300/day of income, 5 days/week, 52 weeks, this	No	Yes; Section 52, #7, Same Comments as RSR Analytical Laboratory	No

represents 5 x 52 x $7,600 = $3,458,000 in lost revenue over 1 year Section 33, Same as RSR Analytical Lab. Section 50, $494,000 in lost revenue over 1 year Section 61, Loss of income, loss of business			
Yes; Concur with Ace Analytical Laboratories on all comments.	No	Yes; Concur with Ace Analytical Laboratories on all comments.	No
Yes; Section 8, 10 (We propose to raise the 10mg single dose to 50 with Physician endorsement.	Yes; Better information to patients, readable information label will have very small font	Yes; too much information on small label; Less Sales, less choice for patients	Yes, better patient education
Yes; (1) When the individual strain is cultivated batch sizes must be increased to 10 lbs. or higher. (2) In cannabis is going to be sent to a MIP, the final product should be tested instead of multiple times before the final product. Section 10, Total amount of active THC needs to be higher than 100mg, high as 500mg. NRS 453A.654, Add random sampling of pesticide residue analysis to protect patients by reducing the cost of testing. NRS 453A.654 Remove addition of Herbicides and Growth regulators from being tested every batch and have them tested randomly instead of every batch. NRS 453A.720 Instead of putting an email into NAC, just say	No; Maintain Section 50 NAC 453A.654 #2	Yes	No

email Division			
Yes; Section 27 Yearly Renewal fee for all agent cards, Estimated Cost: 13 x $75.00 = $975.00 Section 28 Additional inspection fees, Estimated cost: Unknown Section 33f Concentrated cannabis is ill defined, all infused products are made with concentrated cannabis, Estimated Cost: Unknown. Section 34 #2 Only 10oz. allowed per delivery run for Dispensaries, meaning more delivery runs. Increased vehicle and staff costs, Estimated Cost: Unknown. Section 59 #2b 1, 2, 3, and 4 Home Medical Cannabis Patient grows will NOT have a large impact on profit for MME's. MME's intent is to assist Medical Cannabis Patients who cannot or do not want to grow and produce their own medicine, Estimated Cost: Minimal financial hardship to MME's.	No	Yes; The repetitive fees and additional costs to smaller establishments increase operating expenses, ultimately the costs involved will increase prices to the Medical Cannabis Patients.	Yes; Accuracy in record keeping will keep Medical Cannabis consistent.
Yes; Section 28.2b; By requiring an increased frequency for inspections of cultivation facilities, the proposed regulation will make it less likely that cultivation MME's will work with production MME's to bring consumer products to market. Estimated Cost: $130,000 per year (10 lbs. of cultivation MME material processed per week, $250 per pound added to the purchase cost due to potential increase in inspections).	No	No	No

Section 33.1.a.4 Tracking total THC in milligrams in inventory is a very cumbersome and inexact process. In the case of cultivators, there will be an unknown inventory of THC in all of the plants in flower which have not yet been harvested, processed, and tested. Estimated Cost: $19,500 per year (One half time employee (20 hours/week), $15/hour with 30% burdens). Section 33.2c This addition to the regulations can be interpreted to read that concentrated cannabis can only be sold by production MME's to dispensaries and not to other production MME's. There have already been negotiations underway to sell concentrated cannabis products to licensed production MME's with a primary focus of producing edibles and not extracting concentrates. Regulation might not allow for those transactions to take place. Estimated Cost: $75,000/year (Projected gross revenue lost based on recent negotiations). Section 50.3 Costs of production will increase by requiring all production MME final products to be subjected a more rigorous suite of testing. Estimated Cost: $93,000/year (3 lab tests/wk, $600 cost increase in each lab test) Section 60 Production MME's should be allowed R&D Quarantine rights for product development. Estimated Cost: $62,400/year (2 R&D lab tests/week, $600 cost increase for each lab test if no R&D protocols			

are put into place).			
Will be meeting with MME colleagues who are part of Nevada Growers and Producers Association before February 6th to discuss and present unified set of comments and feedback at the Public Forum.		Yes, Section 10, Having product contain such a small amount of THC, patients will chose alternative dosage forms such as smoking flower, vaporizing, or smoking concentrates. The cost alone for patients will be exorbitant, and the burden of such an extreme daily regimen is very troubling. Section 29 #5, How are outside contractors who have no contact with cannabis plants/products or involvement with cultivation, manufacturing or sales; are they supposed to have an agent card? Section 34 #7, DPBH will develop its own Seed of Sale tracking system and API; does the DPBH feel that this is a good idea at such an early stage in the industry? Section 50 #2, This is an extremely positive step in the correct direction, however current laboratory testing requirements still are not adequate for the diversified extraction	Yes, Section 50 #2, Will help reduce the costs of testing and ultimately the cost of medicine for the patients. We believe this reduce is cost, and hopefully future reductions in laboratory testing, will create an influx in the number of patients utilizing the medical marijuana dispensaries. Section 61, Testing through state licensed third party laboratories is extremely beneficial to the MMEs as a whole.

		methodologies. With the current testing schedule this would result in a minimum of 3 tests, and even more testing if recombination takes place. At roughly $800 per mandated test we are looking at an increase of $2400, and more for any additional processes. A simple solution would be to require testing at the final stage of the product, rather than at the various points in the production cycle. Also, the wording of the section creates a substantial issue. By phrasing it as "usable marijuana" and "dry flower or trim", the Division is not allowing for the production of fresh harvested, fresh frozen, or fresh juiced cannabis products. Section 56 (1)(b), Setting a 10,000mg maximum THC is problematic for severe medical cannabis patients, such as those undergoing treatment for cancer. Also, the focus on THC is arbitrary.	
Yes; Adverse Economic Impact: Under the current NAC and NRS codes, there exist no legal frame	No	No	No

work to legally receive a medical marijuana or medical marijuana product from a patient and test it. We strongly feel patients should have the same rights to have their products tested for a nominal fee to ensure safety and dosing concerns, as long as it follows all the same guidelines set forth for an MME, such as chain of custody, etc. No Adverse Economic Impact: Section 50, Regarding extraction of Marijuana and required quantity for testing. We feel 2 grams is an insufficient quality to perform all the required quality assurance tests. We think 6 grams is a necessary amount to perform all required tests if trim bypasses current tests and those tests are then performed on the extract. Section 52 #7, Metals limits, Daily dose needs to be defined, We have heard from the state that it is 5 grams, please add this to the NAC.			
Yes; Section 41 #2, I am appalled the State is trying to make it mandatory that we use PLASTIC for packaging. If you want to regulate what is used for packaging, a solution could be to screen the proposed packaging materials a production, cultivation, and dispensary establishments decides to use prior to them becoming operational and work it out on a case-by-case basis.	Yes; Section 50 #2, This is beneficial to us because testing the marijuana plant material in addition to testing the extracted cannabis oil would be redundant, not cost effective, and wasteful.	Yes; Section 56 (b), Must not exceed a maximum of 10,000mg THC per patient for 14-day period. WOW! Again, this is absurd for a medical patient. That is less than 1 gram/day. In CO, a patient is allowed to obtain 2 ounces a day. Section 10 (a) & (c), This is change may be recreationally relevant,	Yes; Section 61, Please add: it would be nice to see in the regulation or have the ability to as a cultivation and production facility owner the ability to run blind and double blind samples for R&D with multiple laboratories with the intention of transparency and holding everyone accountable on all sides

		but not medically. There are some severe ailments that call for concentrated cannabis (e.g. 250 mg-350 mg+) per serving.	of getting cannabis medicine into the patients hands.
Yes; Section 6.2, loss of $2 million in gross income. Section 27.2, $2000 in renewal fee above that charged to cultivators. Laboratories should not be made to pay more than cultivators. Section 33.7, It may cost each laboratory up to $15,000 per year to purchase and successfully interface their existing Laboratory Information Management System with this as-of-yet unknown Seed of Sale Program. Section 50, If the elimination of residual solvent testing is not in error, this would represent a large loss for the business. Assuming that each test would earn the laboratory $150 in gross revenue, 100 samples/week for 50 weeks/year would represent $750,000/year in lost revenue.	No; While the addition of R&D testing is welcome, it is still well below that which was calculated when financial projections were created in 2014 that included unlimited R&D as well as testing of patient medicine.	Yes; Section 52.7, Leaves the interpretation of heavy metal limits up to the reader; the proposed changes make no mention of the 5g daily dose that was agreed upon at the ILAC meetings. Such ambiguities will leave the state and MME vulnerable to legal action.	No; This legislation leaves too many questions either unanswered or ambiguously answered.

Any persons interested in obtaining a copy of the summary may email, call, or mail in a request to Marilyn Gray at the Division of Public and Behavioral Health, Medical Marijuana Program, 4150 Technology Way, Suite 106, Carson City, NV 89706, (775) 684-3487, medicalmarijuana@health.nv.gov. The Small Business Impact Statement has been posted on the Division's website: http://dpbh.nv.gov/Reg/MME/MME_-_Home/ where it may be viewed and downloaded.

6. If the regulation was adopted without changing any part of the proposed regulations, a summary of the reasons for adopting the regulation without change.

From December 17, 2015, to August 29, 2016, The Division revised the proposed regulations three times pursuant to comments received from the Small Business Impact Questionnaire, discussion at the Industry Stakeholders meeting, Public Workshop, and Legislative Counsel Bureau regulations analyst. The only remaining change from the adoption hearing pertained to Section 20 as outlined in the Errata that was also adopted at the public hearing.

7. The estimated economic effect of the regulation on the business which it is to regulate, and the economic effect on the public. These must be stated separately, and in each case must include:

Anticipated effects on the business:

Adverse Effects: Concerns from laboratories indicated there was a loss of income with the additional language added to the "Production Run" definition to include "of any quantity". After several meetings, MMP staff changed the language to read "Of a quantity no more than 15lbs. of usable marijuana"; which will decrease laboratories expected loss of income by 95%. With the language added to Section 61, "Research and Development" of the proposed regulation, laboratories will be able to compensate their 5% income loss, which concludes the economic impact for laboratories will have a neutral effect. Medical Marijuana Laboratories also indicated an adverse economic impact with the proposed regulation language adding daily inventory recording. MMP staff deleted language excluding laboratory implementation of the required inventory control system, which will alleviate some adverse economic impact on labs.
Additional concerns stated from Medical Marijuana Establishments regarded renewal fees. However, the renewal fees are set by NRS 453A.344; the MMP cannot increase nor decrease the set fees.
Lastly, Medical Marijuana Establishments expressed an adverse economic impact with residual solvent testing omitted from list of required marijuana or marijuana products tested. This was a mistake made by DPBH and residual solvents will be added back to the table of required testing.

Beneficial Effects: The regulations provide the required structure and oversight of the industry, and will clarify security requirements and tracking of product from seed to sale. This contributes to the transparency of the industry, should enhance the image of the industry and inspire public confidence in the state government's ability to safeguard the health and safety interests of all Nevadans.

Immediate Effects: Medical Marijuana Establishments can now participate in Research & Development (R&D) activities. This will not only foster innovation and the development of new products throughout the industry, but also will provide additional revenue streams for Medical Marijuana Establishments.

Long Term Effects: The proposed regulations provide long-term growth opportunities for the industry in terms of Research and Development (R&D) efforts. The industry will have the ability to innovate and pioneer new and improved products and bring more effective medicine

into the market. R&D represents an additional revenue stream for MME laboratories and provides them an opportunity to grow with the rest of the industry.

Anticipated effects on the public:

Adverse Effects: None anticipated

Beneficial Effects: Increased public safety by controlling the product from seed to sale. All products must be tested by independent certified medical marijuana testing laboratories. Patients will know with confidence what is in the products they are purchasing. Excess program revenues are transferred to the State Distributive School Account.

Immediate Effects: Increased public safety, protection and improvement of the health and safety of medical marijuana cardholders.

Long Term Effects: The proposed regulations force more transparency of operations among MME operators. In the long run, this added transparency should enhance public safety by reducing opportunities for product diversion into the black and grey markets.

8. The estimated cost to the agency for enforcement of the proposed regulation.

No change in program enforcement costs is anticipated. The regulation will be enforced as a regular part of the ongoing Medical Marijuana Program operations and does not represent an additional expenditure of staff time and effort.

9. A description of any regulations of other state or governmental agencies which the proposed regulations overlaps or duplicates, and statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The Division is not aware of any similar regulations of other State or governmental agencies that the proposed regulations overlap or duplicate.

10. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

Not applicable.

11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The proposed regulations do not impose a new fee or increase existing fees.